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GENERAL

Day of Action confusion

continues

Government economic policy; but there were signs that it could be a damp squib as more trade unionists said they wapted

Express warned employees that they could face dismissal if they do not report for work on Wednesday. The group was granted High Court injunctions ordering • TRABING remained calm the withdrawal of union cir. within the European Monetary culars calling for a May 14 stoppage. Back page

Schmidt party win the weakest

Killelian

Democratic Party won a landslide victory in the key state of set to become the largest single party in the state parliament. Back Page

Radio seized

Ugandan military officers took control of the country's radio station after President Godfrey Binaisa sacked the army chief-of-staff Brigadier David Ojok

Terrorist hunt

Police were hunting the leader of the terrorists in London's Iranian embassy siege. Scot-land Yard said they were looking for a seventh member of the gang, but would not give further details.

Weish forest fire Huge forest fire, fanned by high winds, was threatening home in more than 1 firemen and forestry workers were fighting the blaze near Tan-y-Bwich, Gwynedd.

Tomin released

Dissident Czech Professor Julius Tomin and II other people have been released from detention in Prague, but he is continuing a hunger strike in protest at police harrass

israel 'regret'

Hurricane victims • OFFICE of Fair Trading is At least 141 people were killed, hundreds injured, and 15,000 left homeless after hurricanes hit parts of east India and

Tomb demolished Burnan shareholder's are

a public lavatory.

3.56

Hures

APEMPH.

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Climbers held

West Ham feted

Thousands crowded streets in East London to welcome FA Cup winners West Ham to a reception at East Ham Town Hall. Soccer, Page 18

PUBLISHER'S NOTICE

The Financial Times apologises

BUSINESS-

U.S. may restrict imports from UK

Confusion continued over the OUS has told Britain and the likely impact of Wednesday's EEG Commission that some 30 Day of Action protest against Community products may be Community products may be subject to import curbs in retaliation for UK curbs on U.S. fibre exports. Back Page

FTALY'S trade deficit increased to L 3,777bn (£1.96bn) in the first quarter of this year compared with L 713bn in the first kuarter of 1979. Back Page

System last week, with the French franc still the strongest currency, and the Italian lira

West German Chancellor change, despite the recent rise Helmut Schmidt's ruling Social in German interest rates, and the recovery of the German slide victory in the key state of currency against the dollar. But North Rhine-Westphalia and is fears grow that the renewed set to become the largest single demand for the D-mark may cause future problems for some members of the EMS.

The Belgian franc stayed above the lira and Danish krone despite a further cut in Brus-



The chain shows the two constraints on European Monetary System schange rates. The upper grid, besed on the weakest euronery in the system, defines the cross rates from which no currency except the line i may deviate more than Ye, per cent. The lower chart gives sech currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket

Israeli Cabinet expressed regret PETROL consumption in the at President Sadat's decision to U.S. should fall by 20 per cent suspend all talks on autonomy over the next decade because for the West Bank and Gaza: of the changing driving habits Page 2 of motorists, Back Page

> taking legal action against three major concrete pipe manufacturers for allegedly breaking a long-standing undertaking to the Restrictive Practices Court not to fix prices. Page 4

Work began in Tehran on calling on the Government to demolishing the marbled tomb return the Bank of England's of Reza Khan, father of the deposed Shah, to make way for Burmah. If was acquired from a public lavatory.

operation. Page 6 New York police detained two men who had climbed halfway up the Statue of Liberty in protest at the continued imprisonment of a Black Panther leader. They face trespass and damage charges.

• PKERLESS, the consumer products group, is offering for sale through merchant bankers slinger and Friedlander a quarter of its equity—3,181,800 ordinary 25p shares at 100p each. The whole company is valued at £12,92m. Page 22

HOME PARM, the pork and bacon producer, is placing 1.2m ordinary 10p shares at 55p on to the market. They represent 26 per cent of the equity of the company which is valued at £21m. Page 22

 NEWTOWN Securities (Northern), an experimental company launched in the Northfor errors contained in this East by the NEB and Midland issue which are due to diffi- Bank to provide loans to small culties in the reading depart businesses, is to close because of ack of customers. Page 4

British Aerospace: "Baby

Airbus" takes off 7

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Terms of Chrysler rescue agreed by U.S. Government

BY IAN HARGREAVES IN NEW YORK

A U.S. Government board has to release \$500m authorised the biggest company rescue in U.S. history with \$1.5bn (£667m) in loan guarantees for the Chrysler car company.

Today, Chrysler plans to announce a major programme Treasury securities.
of plant closings as part of the But the issue w rationalisation it has agreed in order to qualify for Government support and for the continued support of more than 300

worldwide lenders.

The company said yesterday standing critics of the rescue that it hoped the closures and other economies would keep its as a further opportunity to voice this year within the \$750m their objections. (£333m) most recently esti-mated. But the Government board says it believed Chrysler would lose \$1.05bn—close to last year's record loss of \$1.1bn. The decision of the Chrysler

Loan Guarantees Board came late on Saturday after more than four months of arduous bargaining and almost 17 months after Chrysler first went to the Government for financial help.
Mr. William Miller, Secretary

of the Treasury and Chairman

of the Loan Guarantee Board

said the Board had made "a

reasonable business judgement," that Chrysler could survive. the company would be profitable by 1982 and that it would probably use about \$1.1bn of the guarantees. The rest would provide a cushion for unforeseen events, the board said.

BY PHILIP BASSETT, LABOUR STAFF

Civil Service manpower costs as

part of its longer-term plans

aimed at reducing the number

of civil servants to 600,000 by

As a way of offsetting the new round of cuts and those already

announced, Civil Service unions

offered to them which would

early retirement by five years to

The Government's announce

ment, which may be made today will be delivered by the Prime

Minister in the House of

Mr. Paul Channon, Civil

Service Minister with responsi

bility for the was to have made the announcement in the

Commons last week, but Mrs. Thatcher decided she would handle it herself instead. The

announcement had to be delayed

until this week because of her attendance at President Tito's

Mrs. Thatcher's personal inter-

vention was seen yesterday by Whitehall officials and by officers of the two Civil Service

unions, which start their annual

funeral in Belgrade.

Commons.

Intervention

lower the age for voluntary

the next general election.

all Chrysler says it will need — \$642m in concessions from in the form of a special issue of lenders, \$628m from asset sales ten-year stock that will carry a (including the sale of 51 per coupon of between 1.25 per cent and 2.5 per cent above the corrent market rate for ten-year

But the issue will not be made for 15 days. In that period, Congress will be able to scrutinise the fine print of the Board's findings. No major

Provided

Two main conditions are attached to the Board's recommendation: that Chrysler's lenders agree to restructure \$4.4bn of debt to Chrysler and its Chrysler Financial subsidiary and that the company's long-term lenders agree to allow Chrysler property to be used as security for other loans.

The board said it had received "adequate assurances" that these conditions would be aid the Board had made "a met and has provided consider-easonable business judgement," able detail of the financial pro-bat Chrysler could survive. gramme, which Mr. Miller Mr. Miller said he thought called "one of the most complex we have ever seen in this country.

Chrysler was required to raise \$2bn in non-guaranteed com-mitments from lenders and een events, the board said. others. According Initially, the board proposes estimates accepted

Mrs. Thatcher to announce

The announcement will re-

view the three separate rounds of cuts in Civil Service man-

power brought in since the Government took office 12

months ago. Mrs. Thatcher will

then announce a further set of cuts, although indications yes-

terday from both officials and

unions were that the figure was

likely to be closer to 40,000 than the high figure of 70,000

which had been suggested pre-

The new round of cuts will

not be designed for implemen-

tation this year, but will instead

lay out the size and shape of

the Civil Service for the rest of the life of this Parliament.

cuts will affect such sensitive

areas as the Department of

Employment, and the Depart-

ment of Health and Social

Security. Law and order ser-

vices are again likely to be

Union officials fear that the

viously.

 which is board, these will come from cent of Chrysler Financial), \$357m from state governments, \$342m from deferred pension fund payments and \$63m from the sale of debentures to dealers and suppliers.

This programme differs considerably from the one outlined in Congress's Chrysler aid legis lation, but the board granted power to vary sources of funds. was

From the point of view of the banks, the major victory has been to avoid putting new money into Chrysler, as the legislation ostensibly required. In return, the banks have agreed to an involved series of interest rate reductions, maturity extensions and some

straightforward giveaways on Some lenders have also agreed to convert part of these conces-sions (which will mean Chrysler issuing deferred payment notes to its lenders) into preferred stock holdings of up to \$750m in the company beyond 1973. Other lenders are taking options to buy up to 12m Chrysler com-

mon shares at \$13 a share-twice the current market value. Mr. Lee Iacocca, Chairman of Chrysler, said the board had taken a difficult decision to sup-port the company. "But it is a good decision and we intend to prove that to the entire world,"

the Civil Service Department.

55 instead of the present mini-

The deal is designed to keep departments within their indi-

vidual cash limits for 1980/1981.

Those taking up the option would have to do so by Septem-

Staff would therefore get a

lump sum pension payment early

which would probably be attrac-

of the Civil and Public Services

Association, the largest union in

the service. Women make up

68 per cent of the CPSA's mem-

mum retirement age of 60.

ber 30 this year.

Bargaining

Swedish mediation on strike accepted By William Dullforce in Stockholm

SWEDEN'S PRIVATE ployers yesterday accepted a pay settlement proposed by mediators, thereby ending the ten-day dispute in which 900,000 Swedes are on strike or locked out. The trade unions accepted the proposal.

Mr. Thorbjörn Fälldin, the Prime Minister, had called in the employers' leaders and appealed to them to reverse their original decision to reject the settlement.

Earlier announcing that the negotiations had broken down, Mr. Carl-Henrik Nordlander, the chief mediator, said that his Commission was abandoning its efforts to reach a solution.

Public sector unions and employers both accepted the mediators' compromise pay settlement, putting an end to the industrial action which has closed Sweden's airports and reduced to a trickle goods traffic through its ports.

In a written reply to the mediators, the employers' association said the proposed pay increases would cut Swedish industry's competitive position, reduce employment, boost inflation and lead to heavier foreign borrow-

It was time to re-examine the whole Swedish system for dealing with labour conflicts, the employers said. It also objected to he way public sector pay agreements set the pace for private sector negotiations.

The employers' tough attitude was unexpected. Since Friday, when the mediators tabled their compromise, it had been assumed that the employers would be forced to accept the higher wage settlement, perhaps with reservations. The transport workers' strike which started on Friday, will halt oil and

The settlements proposed by the mediators would give indus-trial and commercial workers average wage increases of 6.8 per cent, while state and local authorities workers would get an average rise of 7.3 per cent. THE GOVERNMENT will this cutting the size of the Civil threment which has been put confidentially to the union by

The mediators also included guaranteed wage-drift provisions and payments for special skills The offer, which relates principally to the 21 per cent reor for merit. When these are added, the average increase for an industrial worker comes out duction in manpower costs im-posed as a condition of this year's pay settlement for the early ETSHCM-cat 10.1 per cent, against 8.8 per cent for public sector workers. service, offers staff voluntary early retirement at the age of

After the agreement in the public sector Swedish radio and television immediately resumed normal transmissions.

Banks oppose plans for loans control

BY MICHAEL LAFFERTY AND DAVID MARSH

BRITISH BANKS are exected to ask the Bank of England today to make major changes to new proposals aimed at tightening control borrowing lending

If implemented in their present form, say bankers, the recommendations could raise the cost of medium-term finance for industrial and other bor- attract new deposits. rowers. The recommendations, say bankers, could distort competition among various types of banks and also damage the standing of London as an international banking centre.

The proposals, which set out strict regulations for the volume of liquidity which banks have to maintain against various types of deposit, have attracted widespread criticism from the banking community since they were published by the Bank as a consultative document in

A meeting today between Bank of England officials and a large delegation from the British Bankers Association representing the main British banks as well as foreign branches operating in London —will give the two sides their first chance to exchange views on the document.

Raising the unusual prospect of a confrontation etween the Bank of England and the commercial banks operating in London, a senior banker due to take part in the talks said last night: "We hope it won't come to a stand-up battle. But we're going to oppose this very strongly indeed." The Bank has stressed that

the document represents a basis for discussion and has implied that it will be willing to make modifications. Consultations are likely to take several months.

But it has probably been taken aback at the strength of opposition to the proposals, which bankers say are heavyhanded and betray insufficient knowledge of the commercial banking business.

The proposals aim to ensure that banks have sufficient liquid assets to match shortages that could arise if they failed to

Banks say the suggested liquidity rules as applied to sterling business would work in favour of the elearing banks, which have access to large retail deposits from current-occountcustomers, but would excessively penalise many types of lending operations that are based mainly on deposits taken from the wholesale interbank market.

As applied to Eurocurrency business, foreign bank branches would be at an advantage over the domestic institutions. But the proposals might drive husiness to less-regulated Eurocurrency centres - the very opposite of what the Bank of England would like encourage.

The liquidity paper is the third in a series of consultative documents which the Eank has been issuing in the wake of the Banking Act. The Act, passed last year, sets down for the first time the Bank's statutory responsibilities and powers to supervise British banking.

The reception to the liquidity document has been so hostile that banks say they are now also opposing the recommenda-tions set out in a previous paper on foreign exchange regulation, on which it had earlier been thought there would be a compromise.

Editorial comment Page 20

Inflation tops 20%

risen to more than 20 per cent

cent Minimum Lending Rate, in four-year high of 21 per cent spite of political pressure for from 19.8 per cent in Harch, a reduction both within and Continued on Back Page outside the Government.

OFFICIAL FIGURES due this TheCitl is resigned to waiting week will show that the annual at least until the end of June rate of retail price inflation has before interest rates are cut. The retail price index for for the first time since March April to be published on Friday.

1976, and that credit is still will show a large rise compared expanding faster than the with March, mainly because of increases in indirect taxation The statistics will underline announced in the March Budget the reasons why Sir Geoffrey and higher public sector charges. Howe, the Chancellor, has ruled This is expected to take the out an early cut in the 17 per 12-month rate of inflation to a

Continued on Back Page

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JVC backs out of negotiations

wards in UK public sector; and the judges 20 Decca's loss-making television

The talks are believed to have been called off chiefly because the two companies could not agree on suitable terms. They started discussions earlier this year, soon after Racal Electronics won control

Racal is Reen to dispose of Decca's consumer electronics division; which has been losing about \$1m a year. Decca's tele-vision plant at Bridgnorth, Shropshire, produces about

Thomson has been expanding facility in Britain.

talks with Decca.

Laivani, said he would be in terested in the possibility of acquiring the Decca plant to manufacture pocket televisions Mr. Lalvani did not pursue the

Earlier this year, the chair-man of Binatone, Mr. Gulu

and colour sets operation if the price was right.

details of the cuts. mean that the union would not approach the new cuts de-The full effects of the new conferences today, as a clear cuts and those stready in the termined to reject them out of indication of the importance pipeline could be mitigated, hand. Threat to pay system Page 9

vices are again likely to be exempted along with the Ministry of Defence which employs about a third of all five years they would otherwise Britain's civil servants. Union officials from the DHSS are expecting to be contacted today by Mr. Patrick Jenkin, the Social Services Secretary, with details of the cuts.

for Decca's TV loss-makers

BY GUY DE JONQUIERES

VICTOR COMPANY of Japan It recently agreed to grant aggressively its European tele-(JVC), has backed out of nego-fiations for the purchase of the purchase o Cuba: The flight from manufacturing operations.

120,000 sets a year.

JVC, 51 per cent owned by
Matsushita Electric, is one of the few Japanese consumer electronics companies which does not already own or have an interest in a manufacturing

home entertainment system. It mende, an ailing German manuis not clear whether this agree- facturer, and has been negotiatment was connected with JVC's ing to purchase the French tube decision to withdraw from the and German television manualks with Decca. facturing subsidiaries of Racal declined to say whether General Telephone and Elecactive negotiations were under tronics of the U.S.

way with any other companies for the disposal of Decca's television plant. However, the company did not expect a decision to be taken soon on the future of the operation. Expanding

Several other compaines have shown an interest in the past few months in acquiring the Decca plant. They include Thomson-Brandt, the French electrical products manufac-turer, and Binatone, the British electronic goods company.

But Thomson's headquarters in Paris last week, however, that the company had made any formal approach over the Decca

matter further then, but he said at the weekend he would still be interested in the Decca

Western leaders to stress their solidarity this week.

BY JOHN WYLES IN BRUSSELS

WESTERN political leaders from both sides of the Atlantic will be involved in intensive diplomacy over the next seven days designed to demonstate that despite recent tensions. their solidarity remains firm in face of the Afghanistan and Iranian crises.

In the first half of the week, Defence and Foreign Ministers of the North Atlantic Treaty Organisation will focus on sharpening the alliance's military preparedness to deal with any new manifestations of Soviet adventurism.

Later, the 25th anniversary in Venice of the signing of the the Soviet Union since the Russian aggress Russian invasion of Afghanistan. Afghanistan ended. But no negotiations will be President Carter also stressed eld between Mr. Edmund that economic and political

Muskie, the newly-appointed U.S. solidarity with the Western Secretary of State, and Mr. Andrei Gromyko, Soviet Foreign

Rather, the meeting will be a demonstration of the apparent desire of both super-powers to keep their lines open and to test each other's positions, following the frigid developments discussions in Brussels involving in East-West relations during the past six months. But the U.S.'s European allies

will welcome the meeting. They are eager to maintain the East-West dialogue and some joint commitment to détente. How-ever, Mr. Muskie's brief is expected to be very much in tune with President Carter's Austrian neutrality treaty, will hardline speech in Philadelphia be the occasion on Friday for on Friday, in which he asserted the first top-level political there could be no "business as exchanges between the U.S. and usual" with the Russians, until 'aggression "

Allies was the "touchstone" of U.S. foreign policy. In Europe, his handling of the Afghanistan and Iranian crises has been held responsible for potent beneath-the-surface strains to this solidarity. But these are expected to be kept well out of sight at he NATO meetings on Tuesday and Wed-

nesday.

NATO's Defence Planning Committee is likely to give further impetus to an eventual build-up of European troops and logistical reserves, so as to permit an increased U.S. capacity in the Gulf and other areas of potential East-West

The Europeans appear ready to accept the American thesis that a strengthening of NATO is a pre-requisite for any with the Soviet Union.

Moscow calls for 'frank dialogue'

THE SOVIET Union called on the U.S. yesterday to drop Pravda, the Communist Party Vienna, "demagogic methods" and to newspaper, said: "Timely Soviet begin a "frank and honest dialogue" to improve the destroyed plans to turn Afghanipresent tense relations between the present tense relations to turn afging the present tense relations between the present tense relations to turn afging the present t the two super-powers.

Tass, the Soviet news agency, policy was bsed on "a distorted version of events in Afghanimilitary bridgehead."

The Soviet call for a dialogue in a report on President Carter's and a "sober approach" was speech on foreign policy in contained in the last paragraph Philadelphia, said that the of the Tass report, and appeared hostile direction of U.S. foreign to be connected with the coming

be a counter-balance in the administration to Mr. Zbigniew Brzezinski, the National Security Adviser, who has been criticised with increasing virulence in the Soviet press.

The TAS's report indicated, however, that Russia will give meeting between Mr. Andrei
Gromyko, the Foreign Minister, however, that Russia will give
and Mr. Edmund Muskie, the little ground over Afghanistan.

Poll reverse for Iran's clerics

BY OUR FOREIGN STAFF

VOTING in the second round of be announced. elections for the Iranian National Assembly appears to show a drop in support for the Islamic Republican Party, but full results have still to be announced.

Results from 132 of the 150 constituencies contested on Friday give the IRP 64 seats meeting of the assembly. going to supporters of Mr. Abol Hassan Bani-Sadr, the tion results will affect the to Ayatellah Khomeini said that was called in prote-President, and independents, future of the U.S. hostages, no name had yet been sub-Results in Tehran have still to The IRP won two thirds of mitted to the religious leader. "inferior education."

between the President and the not have a formal party strucclerical parties who fear that his proposed formation of a how much support there will be Cabinet before the National for the Grand Islamic Coalition Assembly meets will pre-empt dominated by the IRP.
their authority. To prevent this President Bani-Sadr had said their authority. To prevent this they may push for an early

It is not clear how the elec-

the 98 seats decided in the first Aiready there is friction round of the elections, but does ture leaving it unclear exactly

that he hoped to appoint a Prime Minister to lead a new Cabinet by yesterday. But aides

Egypt slashes customs duties

In an effort to reduce the soaring cost of living which is now affecting all sections of Egyptian society, President Anwar Sadat has ordered heavy cuts in customs duties on a wide

range of imports.
Duties on imported foodstuffs have been reduced or elminated across the board. The 55 per cent tariff on sugar has been eliminated, the tariff on butter reduced from 50 to 30 per cent, and tariffs on flour, maize and beans reduced from 40 to 20 per

The duty on animal feed has been eliminated to try to contain soaring meat prices, while duties on a wide range of construction raw, materials, such as iron bars

Other overseas news. Page 27

and wood, have been scrapped or severely reduced. Agricul-tural machinery imports are now duty exempt.

Duties on refrigerators, washing machieus and other consumer darables, including hi-fi equipment, have been slashed, and duties on small cars have been reduced.

The cuts appear to go well beyond those envisaged by Mr. Ali Luth, Finance Minister in Thew customs and excise Bill which has been six morths in preparation, and are unlikely to be well received by the Inter-national Monetary Fund with whom Egypt has been negotiating a three-year extended credit facility.

Reluctance on the part of the Egyptian authorities to implement certain budgetary and fiscal reforms have held up this

The loss of customs revenues —customs and excise duties were expected to net E£967m (£612m) this year-will put the Budget further out of balance, and make agreement with the IMF even harder.

S. Africa schools boycott suspended

SOUTH AFRICA'S coloured (mixed race) schoolchildren in Cape Province have decided to suspend a four-week boycott of classes, Quentin Peel reports from Johannesburg. The boycott was called in protest at what the children described as their

Israelis 'regret' Sadat's move on West Bank talks dead in

BY L DANIEL IN TEL AVIV

expressed "regret" at his move. reaction until after an expected speech by President Sadat on Wednesday. Jerusalem still believes that the talks are likely to be

resumed soon although some As the men addressed exprop-observers believe President reporters on the Jordanian side claims.

Meanwhile, at the Allenby from the Hebron region by the

THE ISRAELI Cabinet yester. Sadat broke them off before the of the bridge, more than 100 day considered President Anwar target date of May 26 so as not Jews supporting a left-wing Sadat's decision to suspend all to have to face his critics on movement, including two mem-

It is understood that Israel Bridge across the Jordan, the set up yesterday on a hill over-will abstain from any further two mayors who were deported looking Jerusalem. The decision expropriation or

Israelis to Lebanon last week, taken some months ago. The were refused permission to resite was purchased by Jews enter the Israeli-occupied terriseveral decades ago and the

talks on autonomy for the that date with little progress to bers of the Knesset, demon-occupied West Bank of the show for 11 months of negotia-jordan and the Gaza Strip and tion. · A new Israeli settlement was

settlement does not involve

Rallis to follow Karamanlis line

BY OUR ATHENS CORRESPONDENT

THE NEW Greek Government under Mr. George Raflis, will present its programme to Parlia-ment on May 19.

With the ruling New De-mocracy Party controlling 175 of the 300 seats, the Governme should have no difficulty receiving a vote of confidence.

Mr. Radic has said his Govern ment will follow a liberat, demoeratic and radical policy in accordance with the principles of Mr. Constantine Karemanlis, founder of the party and Presis-dent-elect. Mr. Rallis is expected to pursue a pro-West policy, and try to shore up strained relations with the U.S.

In addition to Mr. Ballis and Mr. Constantine Papaconstantinou, the Deputy Premier, the 43-member new Government includes 22 Ministers and 19 Under Secretaries. Sixteen of them have kept the posts they held in the previous Government, 10 have changed posts, and 15 are new appointments.



Rallis: keeping many of the old team

sas, 70, has been kept in the sensitive post of Defence Minister, after rejecting the Deputy Premiership. General loannis Davos, who was instru-

to call back the politicians after the Cyprus debacle of 1974, has been relieved of his post as Under-Secretary of Defence. Mr. Constantine Mitsotakis, 62, a controversial figure, has been given the Foreign

His post as Minister of Coordination (the senior Minister in the Cabinet and economic overlord) has been given to Mr. Ioannis Boutos, 55.

Mr. George Kontogeorgis. 68, has retained his post as Minister responsible for EEC relations. Mr. Athanassios Tsaldaris, 59. remains as Under-Secretary in charge of Press and Informa-

Mr. Miltiades Evert, 41, a rising star, has been appointed Minister of Finance. His previous post as Minister of Indus-try and Energy, has been given to Mr. Stephanos Manos, 41. Mr. Stavros Dimas, 39, previously Under-Secretary of Co-ordination; has taken over the Ministry

Swiss release French official

SWITZERLAND HAS released one of two French Customs office said. officials it has been holmding on remand, on allegations of

economic espionage.

the Zurich Public Prosecutor's

The French trade unidon body, the CGT, has welcomed the moveand is today to recon-M. Pierre Schultz, who, with sider further strike action his colleague, M. Bernard Rui, which had been planned as a had been arrested on Basle protest against the Swiss Station on April 15, was authorities' action. Last week, released after having admitted a series of short strikes were charges brought against him, staged on French frontiers.

Meanwhile, Dr. Kurt Furgler, Swiss Minister of Justice, has denied claims made by M. Maurice Papon, French Budget Minister, that M. Schultz and M. Rui had been active only in France. There was evidence for several meetings with Swiss informers in Switzerland, he Bonn, Rome By Paul Betts in Rome and Roger Boyes in Bonn TWO LIBYAN exiles were murdered in Bonn and Rome at the weekend, marking the latest

Two Libyan

exiles shot

stage of an assassination cam-paign against opponents of Colonel Muammar Gadaffy, the Libyan leader.

West German police said yes terday that the main murdered in a busy Bonn shopping pre-cinct on Saturday was Mr. Omran el-Mehdawi, a former member of the Libyan Embassy in the German capital. Since leaving the embassy in 1978, apparently for political reasons, he has worked as a businessman. A 26-year-old Libyan was screeted minutes after the shooting and has been charged

A Libyan businessman shot dead in a hotel bar in Rome, Mr. Abdalla Mahamud el Khazini, had been living in the city since 1978. He is the third exiled Libyan to be assassinated

in Rome this year. There is clearly some concern in West German that Libya will move to cut off oil supplies. Last year Libya was Germany's second largest supplier of crude after Saudi Arabia, accounting for over 16 per cent of imported

Troops seize Uganda radio

TROOPS LOYAL to Uganda's army chief of staff, yesterday took over the country's radio station in Kampala while others patrolled the city streets, John Worrall reports from Nairobi.

The radio repeatedly broadcast a statement from the mili-tary commission of Uganda's interim Parliament rejecting Brigadier Ojok's dismissal by President Godfrey Binaisa. The Brigadier drove to the President's residence for talks but, in Nairobi, a Uganda Minister issued a statement saying Ojok's rejection of his dismissal was treason and an attempted coup

Brigadier Ojok is a supporte of former President Milton Obote who has said he will return home this month from exile in Tanzania.

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UAW's Japanese car move THE U.S. United Auto Workers' already doing-and of winning only ancillary. Union decision to seek legal easier access for U.S. auto proredress against surging Japanese ducts to the tightly circumcar imports ha staken much of scribed Japanese market. the heat out of the need for Mr. Carter recently dismissed Congress to act politically, putting formal curbs on according to trade officials in Japanese cars, which this year the Carter Administration. president, said last week the grounds that Americans should

mission, a quasi-autonomous panel that rules on trade dis-

past the election and into 1981. a job However, Mr. Reuben Askew, the U.S. special trade negotiator, has started talks in Tokyo this

British

loan for

Turkey

By Metin Munir in Ankara

THE BRITISH Embassy in

Ankara has submitted the

draft of an agreement to the

Turkish authorities under which a £15m British Gov-

ernment loan to Turkey in 1980 will be disbursed. The

loan will be deposited in

London and released for the purchase of British indus-

This is part of a \$1:165bm loan

pledged to Turkey by mem-bers of the Organisation for

Economic Co-operation and

Development (OECD) as

balance of payments support

Turkey was arranged last

year but became available

only last month because of bureaucratic difficulties. The

agreement governing this loan contained a list of eligible

goods which could be brought

from the UK—30 per cent of the loan was allocated to special steels, 30 per cent to chemicals for industrial and

agricultural use Because the loss has not yet been utilised British funds available to Turkey now total bureaucratic obstacles which hindered transactions under last year's loan Britain has

proposed a simpler mechanism for the new loan. There will be no list of

eligible goods though pur-chases will be restricted to "industrial gods" which will be defined jointly by the British and Turkish

Ankara has meanwhile told Britain that it does not require special steels and other commodities listed under the 1979 loan. These funds will therefore be allocated

authorities.

A similar £15m British loan to

trial goods by Turkey.

for the current year.

Carter officials relieved at

have captured around 20 per Mr. Douglas Fraser, UAW cent of the market, on the union would file an import not be forced to buy the more relief suit by June 15 with the expensive and petrol-ocnsuming U.S. International Trade Comvehicles that Detroit was turning out.

The number of American carutes. workers new laid off—250,000— The officials point out that the is incontestable, but the Admini-PTC has six months to make a stration has calculated that ruling which the President has import curbs would re-create another two mouths to accept or American car jobs at a cost to not—taking the whole matter the econmy of \$200,006-\$200,000

The UAW suit is likely to draw support from the Ford has started talks in Tokyo this Corporation, but General week with the twin aim of put- Motors has eschewed import ting pressure on more Japanese protection. Chrysler is wrapped Detroit is un car manufacturers to set up ap in its separte survival also by its plants in the U.S.—as Honda is struggle, to which imports are smaller cars,

The UAW cause has drawn

support from some prominent figures on Capitol Hill, notably Mr. "Tip" O'Neill, speaker of the House, who last week publicly backed import curbs. But by and large, Administra-tion trade officials believe that the union has taken the legal route because it failed to whip up enough political backing.

The union is to file under an import safeguards measure analogous to Article 19 of the GATT code on the international It is not required to prove any unfair trade charges against the Japanese.

Instead, it has to show that imports have been "a substan-tial cause of serious injury" to the domestic industry. Officials say that means the biggest single cause of damage, and that may be hard, since Detroit is undoubtedly affected also by its failure to make

UK-Soviet trade decline seen despite sales jump

Soviet Union rose 63 per cent 1976 in the first quarter of this year. statio But this is attributed to the last deliveries of major UK-Soviet contracts signed several years ago rather than a reflec-

British commercial officials said that, although the Soviets were still placing small orders with British companies, there have been no major contracts signed in recent months, and UK exports are expected to decline sharply within the next

few months. Figures released by the British embassy show that British exports for January-March of this year totalled £131.1m, a sharp increase compared with the figure for the same period last year of £80.3m. The rise was attributed to the last deliveries of equipment

BRITISH EXPORTS to the with Coberrow in December, 1976 for gas compressor stations and deliveries on the £147m contract for methane plants signed with Davy Powergas in 1977 and on a \$79m contract signed with Simon Carves

> increase in Soviet purchases from Western European countries as Soviet foreign trade organisations spend the last of the funds allocated to them for the 1976-80, five-year

Soviet exports to Britain, deficit in trade with the Soviet

under a £100m contract signed first quarter amounted to £362m.

Missile job for British Aerospace

By Michael Donne, Aerospace Correspondent

BRITISH AEROSPACE'S dynamics group is now working on a £200m contract to build the Franco-German Milan portable anti-tank missile for the British

The first phase of the programme begun some time ago and has already been completed with test firings of the missile, and the supply of intial production missiles to the army. The existence of the contract was only revealed at the end of last week.

The current phase involves building further missiles, including sub-assemblies from Franco-German company, Euro-Franco-German company, Euro-Franco-German company, Eurocomponents supplied from the missile. Eventually, BAe's Dynamics Group will also make hese components.

The overall missile contract is one of the higgest yet awarded by the Ministry of Defence to

a UK contractor. The Milan missiles are being made in special purpose-built facilities at the company's Stevenage factory. Overall, many hundreds of these antitank weapons are involved in the contract, which is likely to run for several years.

OLYMPIC AIRWAYS of Greece has ordered two SD-330

"Commuterliner" aircraft, with an option on another four aircraft. The aircraft are built by Short Brothers and Harland of

This deal, worth about £2.5m. brings total orders and options for the SD-330 to 64 aircraft from 18 airlines in seven countries.

In Greece, the aircraft will join the fleet of Olympic's subsidiary, Olympic Aviation, flying feeder-liner services between the Greek mainland and the Aegean Islands, promoting the growing Greek tourist EGYPT TELEPHONE CONTRACT

W. German finance secured

BY OUR CAIRO CORRESPONDENT

many, its sister company, Siemens Austria, and Thomson DM 93m through commercial tion with the announcement slightly less than 5.5 per cent. that the West German government is making soft loans

available for the project. The consortium signed a framework contract last September, undertaking to find the total \$1.8bn (£798m) needed at no more than 5.5 per cent interest, before obtaining soft loans from their respective governments. Until recently there was some doubt that these would be as ment, providing such finance is readily forthcoming as the three a totally new departure. Reprereadily forthcoming as the three companies had imagined, because of the controversy such loans would arouse from more

Siemens of West Germany, at least, has now sown up the taking place, meanwhile, in 1984. Once the financing for finance for the first phase of its Paris, Frankfurt and Cairo to the first phase has ben settled,

BY BRIJ KHINDARIA IN GENEVA

the transfer of technology by

The third UN conference for

even preventing agreement on

when a new meeting should be

guidelines aimed mainly at

multinational companies

developing countries.

held.

the French and Austrian finance requirements (which amount to FFr 600 (£62.63m) and Schilling 1.2bn (£41m) respectively) down to the requested 5.5 per cent level is proving more difficult. French Government soft loans bear 3.5 per cent against 0.75 per cent for West German loans while for the Austrian Governsentatives of the French and Austrian Governments met, in Vienna last week to try and indigent domestic telephone arrive at a common approach to their financing problems.

U.S. resists technology code

The U.S. has hardened its nating the most glaring abuses countries might unilaterally

position in negotiations here by some multinational com-for a new UN code regulating panies of exclusive use of tech-affecting the interest of multi-

nology through subsidiaries based in the Third World.

have been agreed, but differ-

Medina of Colombia that Western "intransigence could

oblige developing countries to

use mechanisms of defence that

would endanger the harmony of

for developing countries to He was referring to the pos- assess whether it actually harms Western technology and elimi- sibility that many developing developing country interests.

Intensive meetings have been

the code adjourned here last ences on a handful of key week with wide enough differ-ences between Third World and to break down bringing a warn-

industrialised country positions ing from Sr Ernesto Rodriquez

ensuring slightly easier access our world community."

EGYPT'S much - publicised DM 93m (£22bn) in soft loans for Siemens West Germany said \$1.8bn telephone contract, in- and a further DM 93m as subsi- here that 99 per cent of the volving Siemens of West Ger- dised Hermes export credits, technical stipulations of its Siemens is finding the remaining section of the project had now been ironed out with the CSF of France, has taken a loans. The overall cost of the Egyptian telephone authorities significant step nearer realisa- financing will work out at and the company would be ready in a few days to sign contracts for delivery dates in the second Bringing the interest rates on half of this year.

Whether Siemens West Germany will sign contracts separately will depend largely on how quickly the other two partners resolve their financing

هكذامنالأعل

The five year programme which entails the installation of 500,000 new telephone lines and the rehabilitation of 250 000 existing lines is divided into thre equal phases in terms of the financing requirement. The second phase should be slipping into gear by the end of the year to run concurrently with the first, which is due to end in 1984. Once the financing for part of the contract. The West tie up the technical aspects to there should be little problem German government is to provide the programme. A spokesman with the others.

national companies.

Most of the code's provisions on which restrictive business

exempted.

The main differences centre

practices involving transfer of

technology should be prohibited

Developing countries want

the code's scope to include deals

between Western parent com-

panies and their developing country affiliates, but the U.S.

wants to ensure that each such

deal is analysed separately to

by the code and which should be

Chevron to start oil production in Sudan

By James Buxton

SUDAN is moving towards becoming a very modest oil producer with the announcement today by Standard Oil of California that it is planning to start producing and refining oil from its two discoveries there.

The company says plans are being made for a simple refinery or topping plant to meet the needs of the exploration programme following recent discoveries which it calls "very encouraging."

Chevron has ben drilling for oil in remtoe regions of south-western Sudan since 1977 and announced its first Abu Gabra in July last year. The company has so far spent about \$130m a nd i is operation is Standard Oil of Cali-fornia's biggest current exploration programme.

Sudan, one of the few Arab countries not to produce oil, has severe balance of payments problems—due to the high price of imported oil and as a result of an over-ambitious development programme. It thus badly needs domestic oli sources. Even by supplying only the com-pany's own needs Chevron's topping plant will make an important difference to the country's fuel supply once it is in operation by freeing imported fuel and railway freight capacity for other

Chevron's finds are far from the main productive areas of the country and at the opposite end of Sudan to its only refinery at Port Sudan on the Red Sea.

tion of any underlying positive for a tyre plant in the same There has also been a general

which are mostly raw materials, rose by 35 per cent to £231 from £171m in the first quarter of 1979, the traditional British Union increased to £99.9m this year from £90.5m in the first quarter of 1979.

World Economic Indicators

		TRA	DE 21VID	LICZ		
		7. 7. 4	Mar. '80	Feb. '80	. jan. 80	Mar. 79
UK	£bn	Exports	3.835	4.133	3.879	2,787
ر میشور در سور	≥	Imports	4.011	4,359	4.200	3.134
Sec 37.3		Balance	-0.176	0.226	0.32 1	-0.347
W. German	y DM bn	Exports	31.30	29.60	27.970	28,027
		imports	29,30	29.10	27.628	24,634
		Balance	+2.00	+0.50	-}-0,342	+3.393
lapan	Sbn	Exports	10.480	9.399	6.860	9,262
		Imports	70.520 .	9.586	9.241	7,775
		Balance	-0.040	-0.187	-2.381	-1.487
France	Frs bn	Exports	41.033	39.272	38.101	33,494
		Imports	46.882	43,538	42,729	32_287
1.0		Balance	~5.849	-4,266	-4.628	+1,207
U.S.	. Sbn		78.534	17,200	17,300	14.445
		imports	21.692	22,800	22,100	16,228
		Balance	-3.158	-5.600	-4.809	—1.783
			Feb. '80	Jan. *80	Dec. '79	Feb. '79
Holland	F be	Exports	12.556	12,570	10.774	9.255
,		Imports	12.781	12.530	72,370	9.518
1.2	· . · · ·	Balance	0,225	+0.040	-1.596	-0.255
	· · · ·		lan, '80	Dec. 79	Nov: '79	lan, 79
Italy	Lira-ba	Exports	4.506	7,187	5.223	3,374
		Imports.	5,640	8,905	6,681	3.695
•		Balance	-1,134	-1,718	1,458	-321
			Nov. 79	Oct. 79	Sept. 79	Nov. 78
Beigium	Fre. bri	Exports	147.3	172.3	135.0	136.7
		emports	- 761.7	167.6	133.1	123,9

-14.4

+4.7

other commodities,

UCB - Brussels

The following statement by Mr. P. Forlers, Chairman, serves as an introduction to the Directors' report. The Shareholders' General Meeting will be held on the 10th June, 1980.

1979 has confirmed the hopes of the Board of Directors of your company which I expressed to you his time last year. Our objectives have been achieved and among them payments to shareholders. The net profit of the Group after tax has risen to BF 347 million. This is a result which compares favourably with the profit of BF 102 million in the mergions were. which compares favourably with the profit of BF 193 million in the previous year. The financial structure of the Group, which was satisfactory, has improved further, which has allowed us to approve an investment programme for 1980 of BF 1.575 million (BF 751 million in 1979), an encouraging sign which iss, in particular, given us the scope to widen our horizons outside the European economic zone. economic zone.

economic zone.

Amongst our new projects, therefore, appears our Group's first industrial production unit in the United States of America for the manufacture of TMTD, of which UCB is one of the major world producers.

All this could only be achieved thanks to a better account allowed. better economic climate, reduced inflation and rigorous management control.

Group sales, which amounted to BF 17,733 million in 1978, rose to BF 20,390 million in 1979, an increase of 15%. The recovery is particularly significant in the Flans Sector and in the Chemical Sector where sales rose by 18% and 18% tively. This improvement is turnover has allowed a better utilization of manufactur-

ing capacities. The sales of the Pharma-centical Sector rose by 6% which was lower than the percentage achieved in 1978. The Film Sector and the Chemical Sector made profits this year of BF 17 million and BF 50 million respectively, compared with losses of BF 132 million and BF 38 million in 1978. In addition, the profit of the Film Sector has been reduced by the provision of BF 100 million for exceptional risks and esits, taking into account the continuous structural changes in a Sector facing fundamental problems since 1975.

The Pharmaceutical Sector made a profit this year of BF 234 million, compared with BF 138 million in 1978. Every effort is being made to preserve for the future this level of profit and profitability.

FINANCIAL HIGHLIGHTS OF THE UCB GROUP

		1977	in milio	n BF/£ 978		1979
	BF	£	BF	. £	BF	` \$
Group net sales	17,184	273.2	17.733	303,2	20.390	326.9
Cash flow	494	7.9	930	15.9	. 1.329	21.3
Profit/loss after tax	397	⊢63	103	1.8	347	5.6
nvestments during the	~ 6	***	PAC.	127	615	9.8
year	813	12.9	745			3.0
	BF	In BF a	nd £ steriin BF			1979 £
year	BF.		nd £ sterfir BF	g per UCI £ 1978	share BF	1979
year	BF	In BF a	nd £ sterfin BF	g per UCI 978 13.9	share BF 1,109	1979 17.8
hare of UCB in:	BF.	In BF at	nd & steren BF 1 814 814	g per UCI £ 1978	1,109 1,109	1979 17.8 17.8
hare of UCB in: Cash flow	83F 397	In BF at £ 1977 6.3	nd £ sterfin BF	g per UCI 978 13.9	share BF 1,109	1979 17.8 17.8 5.1
Share of UCB in: Cash flow	83F 397	In BF at £ 1977 6.3	nd & steren BF 1 814 814	g per UCI 978 13.9	1,109 1,109	1979 17.8 17.8

Rates of exchange used:—1977 £1=BF62.89 . 1978 £1=BF58.48 Copies of the 1979 Annual Report (in English, French or Dutch) can be

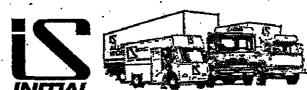
Investment grants received to the extent that they are not included in the profit Movements in provisions for risks and losses in value taken in the profit and loss

Obtained on request from: UGB s.a. Public Relations Department, Chaussee de Charleroi, 4 R 1066 BRUSSELS-BELGIUM. Tel: (010) 322 537 12 20 Teler: 21 280

Depreciation taken in the profit and loss account.

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Concrete pipe makers face legal action

Public sector rises 'could

EXCESSIVE pay awards to With a Government pay bill public sector employees could likely to be 25 per cent higher

wreck the Government's hopes this year, and a deepening

Paper on Public Expenditure is A high proportion of wage also questioned. The report says

settlements in the private manu- the Government's medium-term

facturing sector have been at strategy does not explain how

about 15 per cent or less in the first months of this year but the message that pay and output must be linked is made meaningless when the going rate of 20 per cent or so is being accommodated quite oil revenues will probably have the public sector.

wreck monetary policy'

by the Office of Fair Trading against three major concrete pipe-manufacturers. It could lead to heavy fines or sequestra-

The companies, accused by the OFT of contempt of court, are Redland Pipes, Spun Concrete, and ARC Concrete. The OFT alleges they broke a longstanding undertaking to the Restrictive Practices Court not to fix prices or tender for contracts collusively.

In 1965 the three companies, and other British Concrete Association members, agreed not to operate any agreement designed to restrict trade in the industry. The under-takings followed condemnation by the Restrictive Practicies has brought a contempt action The hearing

BY JAMES MCDONALD

of tight monetary control and

the realistic linking of pay to

Industry in its latest economic

smoothly in the public sector,"

productivity, says the London pressur Chamber of Commerce and sector.

LEGAL ACTION is being taken fixing and collusive tendering.

by the Office of Fair Trading The OFT alleges the three companies broke the undertakings between 1974 and 1978 and are in contempt.

A fourth company, subsidiary of a nationalised industry corporation, was investigated by the OFT for alleged con-tempt. No action has been taken against that company.

The OFT's action against three companies is under the Restrictive Trade Practices Act. 1976. Tracing to apply for leave to issue a writ of sequestration of the companies' assets, and for any other action the court feels

Court of such restrictive practices in the industry as price-

recession, the Chamber warns

against any hopes of that pay

pressure will ease in the public

to be used substatnially to meet

The plausibility of the White

The last case was in 1966 when all eight members of the Tyre Mileage Conference Group of the Tyre Manufacturers' Con-ference were fined a total of £80,000 and had to pay legal

The Court upheld the contempt allegations in the three previous applications. In 1961 the National Federated Electrical Association had to pay the court costs of the Registrar of Restrictive Practices; in 1964 one member of the Garage Equipment Association was fined criminal proceedings, it enables Equipment Association was fined the Director General of Fair £100 and ordered to pay the registrar's costs; and in 1965 eight members of the Galvanised Tank Manufacturers' Association were fined a total of £102,000 and ordered to pay the regis-

> The hearing of the case involving the concrete pipe-manu-facturers is set down for July 14.

Mersey coal

Financial Times Reporter

order awarded

THE MAIN contract for a new

£1.25m coal shipping terminal at Garston on the River

Mersey has been awarded by the British Transport Docks Board to Walker Engineering

Coal will be delivered to

Garston by rail from pits in

the Midlands and North of

England. Up to 1m tonnes a year will be supplied from Garston to Ireland, and the

The Government is making

a special grant under the Rail-

ways Act of £289,000 towards

Isle of Man.

new rail facilities.

terminal

small business loan experiment to end

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

AN EXPERIMENTAL company launched in the North-East by the National Enterprise Board to provide Midland Bank loans to small businesses is to be closed, having failed to justify

This will coincide with a new overall plan by the NEB for helping small businesses. A total of £10m a year is to be available, for spending in partnership with the private ctor, on small and mediumsized companies and on helping regional development. A bank loan guarantee scheme is one possibility being considered.
Only two small businesses

have become customers of the experiment, launched jointly by the NEB and Midland Bank in September, 1978, and called Newtown Securities (Northern). It is to be shut soon and businesses transferred to the bank's direct care.

The bank has recently set up a specialist subsidiary to help small enterprises.

The experiment's customers are Henry Hall, which makes shelving and racking, and Western Gloves, a glove manu-facturer. Both have received loans of about £25,000. A total budget of £250,000 was originally allocated by the NEB and the bank to Newtown Securities which was expecting to provide loans ranging from between £5.000 and £25,000.

No major lessons have been drawn from the experiment's. failure except that the bank's High Street branches did not apparently provide as many potential customers as had been expected who would be interested in taking loans from the joint company.

separate experiment launched more recently by the more successful. Called Sapling

Enterprises, it is owned jointly by the NEB and Collinson Grant Associates, a Manchester firm of management consultants.

It offers managerial and financial advice to businesses interested in accepting an investment of £50,000 or more from the NEB, and so far has three customers. In future the NEB's broad

small business role will overlap with its regional functions. It has been told by the Govern-ment to help small and medium-sized businesses, particularly in areas of high unemployment, and to help companies of all sizes in the assisted regions.

The £10m a year will prob-

ably be split equally between these two jobs although there will also be a further overlap with the NEB's other primary function of helping high tech-nology ventures. Small technological compaines are thefore likely to be prime candidates for NEB funds, once the organisa-tion's new corporate plan has

been completed.

The NEB is considering whether to become involved in a type of clearing bank loan guarantee scheme. Such a scheme has been examined by the present and the last Government, and there is considerable pressure from within the Conservative Party small firm's organisation for a scheme to be

Chinese study grant awarded

DR. PAUL HARE of Stirling University has been awarded more than £2,500 by the Social Science Research Council to study Chinese economic plan

NEB-Midland Bank Production of new Ford engines starts at Bridgend

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD'S NEW family of almost certainly use the unit advanced technology engines in some specifications. into production on £180m plant at Bridgend, South

The engines, the CVH series, will power the group's "world cars" as they are introduced in the 1980s. Output at Bridgend will reach more than 500,000 a year quickly, if all goes according to plan. About two thirds will be exported, mainly to continental Europe. mainly to continental Europe. The CVH engine programme has cost Ford about £500m. Apart from the Bridgend plant. the programme included extensive re-equipment of the Rouge engine plant in Dearborn, Michigan, which will supply North America and South-East

Wales

Engineers from Britain, the U.S. and the Continent jointly developed the power-unit which Ford claims "introduces new combustion concepts, burns fuel more efficiently and provides higher standards of economy. power and emission control. The family will consist of 1100, 1800 and 1600cc versions.

The first car to use the new unit will be the replacement Escort—previously code-named Erika—to be launched in Europe in October at the Paris Motor Show. Erika will replace the Pinto and Bobcat in the U.S. It will be made for Far East markets by Toyo Kogyo of According to the company, the Japan, the Mazda group in engines are designed for long which Ford has a 25 per cent life and minimum routine mainstake, and by Ford Australia. More than Im CVH engines a

More than im CVH engines a a year of average motoring).
year will be required initially.
The engine has a cylinderblock developed for hight replacement for the Cortina/ and computer-sided calibration Taunus, currently called the Toni, will be launched. It will of all control systems.

. Toni is another "world car" schedule this week in the new in that it will use common components, such as engines, gearboxes and axles, wherever it is assembled.

> The present Escort is powered by Ford's Kent engine, also used in some Cortinas and Capris. It is made at Dagenham and Halewood in the UK, and Cologne in West Germany. A derivative of the Kent is also used for the Fiesta. It is made in Valencia, Spain. Output of the Kent will continue.

Grants

The British Covernment con-tributed grants and other assistance totalling at least £70m towards the Bridgend plant. This represents £35,000 for each job created when the facility is fully on stream.

The Welsh factory, highly automated and suggested by Ford to be probably the most efficient in the world, has produced more than 800 of the new engines as part of an engineering evaluation programme. About 200 are fitted in Flestas involved in a 10m-mile field-test throughout Europe.

Ford has issued details of the engine without presenting hardwear for physical inspection. According to the company, the engines are designed for long tenance (less than one hour weight and noise supression.

For the first time on R volume-produced European Ford engine aluminium is used instead of cast-iron for the

head material. To meet the need for a wide range of performance and economy, the engine's three capacities are produced in five different power-outputs, rang-ing from 55 bhp (brake horsepower), for the 1100 low com-pression, to 96 bhp (for the 1600 S.

Among its features, says ord, is a "unique" hemi-pherical combustion-chamber, spherical chosen as the best shape for a combination of low exhaust emissions and high fuel effi-

ciency. The overhead camshaft is supported by five bearings instead of the more usual three, minimising flexing under load, and hydraulic tappets are used

on all versions, "ensuring that no adjustment is required." The ignition system is designed to improve performance and reliability. For higher-powered versions, a highenergy breakerless system is used. It requires no routine maintenance apart from inspec-

tion of sparking plugs. fitted with a conventional con-tact-breaker but detailed design improvements have ensured maintenance of more accurate timing between services. Ford

The most powerful engine is fitted with a twin-choke Weber carburettor and a special camshaft. All other engines are designed to operate with Ford's Variable Venturi constantvacuum carburettor, introduced

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Burroughs

Town halls may face shortage of trained staff By Gareth Griffiths

LOCAL GOVERNMENT could be faced with a shortage of trained administrators unless there is an overhaul of qualifications and training, the Association of District Secretaries has warned.

The association says the lack of recognition of qualifications has confused potential entrants into local government. It says leses than 250 candidates tried local government administrative examinations last year. The association wants to see the establishment of a single

recognised qualification. Talks between the Institute of Chartered Secretaries Administrators and the Local Government Training Board about training have been held for some time and last year an Administrative Staff Qualifications Council was set up to deal

with the problem.

Mr. R. J. Morris, the associa tion's president, said the talks offered a chance for a breakthrough in overhauling the pre-

Air France direct

Civil engineering orders slacken

BY ANDREW TAYLOR

THE WORKLOAD of small and tion had deteriorated since the medium-sized civil engineering slacken, but larger companies are faring slightly better, according to the latest Federation of Civil Engineering Contractors quarterly survey.

reported fewer new orders than price basis. in the previous quarter. But

improvement." Overall, the outlook is gloomy. fewer new orders than six

months and a year ago. Only the largest companies escaped the downward trend, mproved order books.

staff. Only 13 per cent of comtheir plant to satisfactory effect.

January survey, faced particompanies is continuing to cular difficulties with a growing proportion of their work at fixed prices, when raw material prices were rising sharply.

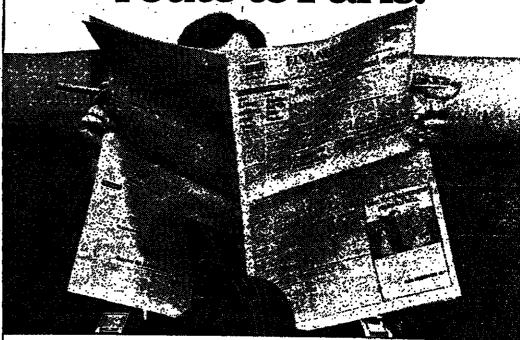
About 90 per cent of civil

engineering work is for the The survey, conducted last public sector, which generally month, showed that small and seeks to put all contracts lasting medium-sized companies had less than 12 months on a fixed The Federation is receiving

companies employing more than reports "not only of tenders 1,000 workers reported "a mild being unrealistically squeezed into the 12-month period, but also of companies being asked with 48 per cent of the 231 to tender on a firm price basis companies canvassed reporting for jobs blatantly declared as

being over 12 months. "This policy can only have ing number of smaller firms to the wall-and they are the comnanies which will be particularly efforts to create enterprise zones panies said they were using and get more construction work back into the private sector are

Take the champagne route to Paris.



Air France 'Club' Class is the new, luxurious way of flying to Paris and back.

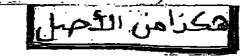
Big, roomy Airbuses, flying 7 times a day, give you all the style and service you expect of Air France.

With only 48 seats per flight, 'Qub' Class is all rather exclusive. So, too, are the special check-in facilities and the seat allocation. Flying in the front cabin of the wide-bodied Airbus, you'll have

plenty of room to stretch out and relax. On the first two flights of the day, Continental-style breakfast will be served. At other times, free drinks and open sandwiches with

exotic toppings à la française are provided. Sounds all rather extravogant? Perhaps it is yet 'Club' flights cost only £110 Heathrow-Paris return. Ask your Travel Agent for full details—or contact

158 New Bond Street, Landon WTY 0AY, Tel: 01-497 9511, Manchester Tel: 061-436 3800.



We built a new factory. We built a new test track. We built a new truck. Now we'll build your confidence.

The road to the 80's has been a tough one for truck manufacturers.

> Environmentalists demanded that trucks should be quieter and pollute the air less.

Operators wanted a truck that performed better for longer and more economically. The fuel crisis demanded that

engines should work harder and drink less. And drivers wanted better safety standards along with all the comforts of home.

Sixyears ago, it was quite clear to Leyland

can have when building a new truck is a computer.

It gave Roadtrain a chassis frame that achieved the optimum combination of lightness and strength.

It created a shape 35% more windcheating than any other production cab, eliminating the need for bolt-on wind deflectors.

> It also helped us to win the 1980 Design Council Award. But that which can create can also destroy.

When it comes to torture tests, a computer shows no mercy. Roadtrain was subjected to months of

the most gruelling tests that a computer could devise. Tests so severe, even a military vehicle would think of surrendering.

We asked drivers what they thought of it so far.

Roadtrain's cab isn't just spacious and comfortable, it's almost indecently so. Throughout the

DESIGN

development of the cab,

dozens of drivers of all shapes and sizes were invited to sample the product.

Their comments not only helped shape the end product. they helped it to operate more efficiently.

Keeping your truck on the road.

Atruck as highly developed as Roadtrain deserves a range of support services that are equally as advanced. Leyland have recently intro-

duced a fully comprehensive package of services called 'Co-Driver'.

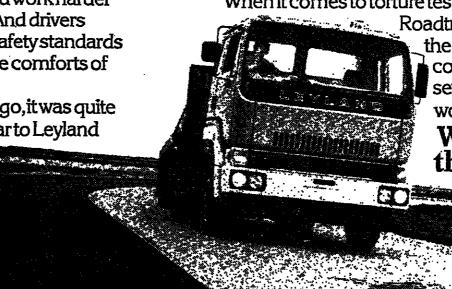
It will also come as a comfort to you to learn that Leyland has the largest distributor network in the country.

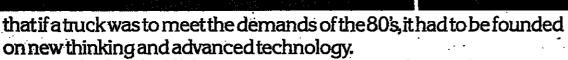
Go along and see Roadtrain. Driveit.Compare it.And feel the unshakeable dedication and commit-

ment that the team of Leyland designers and engineers have had to the T45 project from the start.

Atruck built in the spirit of success is going to stay out in

frontfor along, long time.





And so the T45 project began in earnest along with a new commitment and philosophy; not just to produce the most advanced Leyland, but a range of trucks that would be ahead of anything else on the road.

In order to achieve this. Levland invested at unprecedented



levels in advanced technologyto design the T45. In buildinganewplant to produce it. And Europe's most punishingtest trackto proveit.

No effort was to be spared. No avenue left unexplored. It was going to

be done. And, more importantly, it was going to be done right.

Roadtrain. The shape of trucks to come.

Roadtrain 16.28 is the first of the new Leyland trucks to emerge from the T45 project.

It is a giant step forward in both design and engineering terms, yet it remains firmly based on established principles. Soitis evolutionary in concept. Not revolutionary.

Power comes from the Leyland TL12 Flexitorque engine. Amajor development of an already proven power unit.

Perfectly matched to the engine is a Spicer 10-speed constant mesh splitter gearbox which is not only more durable, it also gives the driver easier and fewer gear changes.

Leyland helped develop theultimate in twin-wedge braking for Roadtrain putting more braking surface in contact with the

drums, yet taking up less space than conventional systems. In the original design brief the highest ideals were striven for in terms of performance, durability, driver comfort, safety and reliability.

> After the most intensive development and testing programme in Leyland's history, Roadtrain achieves all of these targets.

> > Designed by computer. Destroyed by computer.

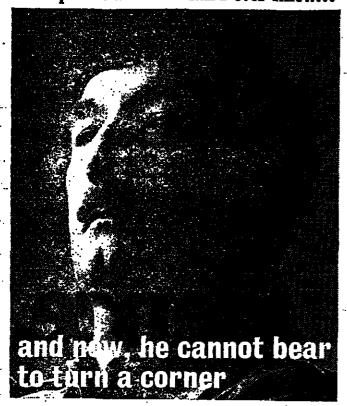
One of the most useful shaping tools a designer





Ing

Perhaps the bravest man I ever knew ... ?



IX-FOOT-FOUR SEP.GEANT "Tiny" G*t*r*c, DCM., was perhaps the bravest man his Colonel ever knew.

But now, after seeing service in Aden, after being booby-trapped and ambushed again more recently, Sergeant "Tiny" cannot bear to turn a corner. For fear of what is on the other side.

It is the bravest men and women from the Services who suffer most from mental breakdown. For they have tried, each one of them, to give more, much more, than they could in the service of our Country.

We look after these brave men and women. We help them at home, and in hospital. We run our own Convalescent Home. For some, we provide work in a sheltered industry, so that they can live without charity. For others, there is our Veterans' Home where they can see our their

These men and women have given their minds to their Country. If we are to help them, we must have funds. Do please help us with a donation, and with a legacy too, perhaps. The debt is owed by all of us.

"They've given more than they could— please give as much as you can."

EX-SERVICES MENTAL WELFARE SOCIETY

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Burmah shareholders press Government

to settle the five-year-old report-and accounts, Burmah affair. The Burmah Mr. Jonathan Stor. Sharholders Action Group is action group, said urging the Government to return the Bank of England's one-fifth holding in BP to Burmah.

per cent stake in BP at the time its rescue operation for Burmah in January 1975. Some Conservative MPs, then in opposition, objected to the Labour Government's action and expressed support for Burmah shareholders.

The action group is asking the Prime Minister to "overcome any personal embarrassment and instruct her Cabinet to settle the Borman affair with honour

The request comes in a letter dends paid since January 1975. Burmah's annual theing posted to 150,000 share. The value of the sdividends be held on June 6.

Mr. Jonathan Stone, of the action group, said yesterday

Thatcher's Cabinet-Mr. Patrick Jenkin, Mr. Michael Heseltine The Bank acquired the 20.15 and Mr. David Howell - had previously criticised the terms of the 1975 rescue operation by which the Bank of England acquired the stake in BP formerly held by Burmah.

"If this affair is as disgrace-ful now as it was in 1975, then the Government should put it right, Mr. Stone said.

His organisation wanted the speedy return of the BP shares, against the repayment of £179m paid to Burmah, less BP divi-dends paid since January 1975.

NEW EFFORT is to be made holders with Burmah's annual would probably exceed the payment.

> The fact that Mr. Denis Thatcher had been a director of Burmah Oil Trading should not inhibit Mrs. Thatcher from moving quickly, said Mr. Stone. A High Court hearing is expected to start in June 1981, but Mr. Stone said the Government should act before next

The letter is being sent to Burman shareholders under Section 140 of the Companies Act (1948) which allows a group of more than 100 shareholders the annual report if it pertains to matters to be discussed at the annual general meeting. Burmah's annual meeting will

Mrs. Thatcher to have first full meeting with Irish Premier

her first full-length meeting with generally, he has said that talks Mr. Charles Haughey, the Irish Prime Minister, probably on May 20 or 21, when Anglo-Irish to achieve a lasting solution to relations could be entering a strained period.

Northern Ireland is expected Republican than his preiccessor Mr. Jack Lynch, became

MRS. THATCHER is to have adopted a low profile on Ulster Ireland and three of the four main political between the British and Irish Governments are the only way

province.
Within a few weeks, the to dominate the talks which are British Government's proposals the first on Ulster since Mr. for devolution in the province and falls short of the minimum Havethey, reported to be a are expected to be revealed in demand by the Social Demoa White Paper following the 31 cratic and Labour Party, the month conference between Mr. main Catholic Party in Humphrey Atkins, the Secre-Mr. Haughey has tary of State for Northern sharing at an executive level.

the political violence in the

It has been widely assumed that the White Paper will contain a scheme for a thinlydisguised return to some kind ensures majority rule for the Northern Ireland, for power

TENNECO

Tax charge 'could harm brewers'

By Gareth Griffiths

BREWERY companies are worried that possible changes in the method of assessing excise duty on beer could endanger the survival of some smaller brewers.

The industry believes a proposal by Customs and Excise to levy tax on the finished product instead of during production might lead to the abolition of the 6 per cent wastage allowance. This concern is highlighted

Colin Mitchell of stockbrokers Buckmaster and Moore. The report says it is important that the 6 per cent allowance be maintained. Its abolition would hit the smaller breweries more severely. Mr. Mitchell says if the allowance is abolished under

the new scheme some smaller brewieries could face severe eash flow pressures. At present excise duty is levied on the specific gravity of the wort—the liquid produced from the mash before fermentation has started. Customs and Excise would

like to see duty levied on the finished product. A change would present the department with two administrative advantages. Fewer staff would be needede, and the end product system of duty would be in line with

ikely EEC regulations. The Brewers' Society will survey its members' tions to the proposal. It is also likely to lobby the Government strongly for the retention of both the wastage allowance and the six week period of grace for duty payments after the beer is

London Weekend and Thames seek breakfast franchise

BY ARTHUR SANDLES

said they are eager to take on breakfast broadcasting.

Authority for the contract for

SPANISH SE PRICES

BOTH THE London commercial this new ITV service. London television franchise holders have Weekend Television and Thames Television are offering an

The full LWT application for Eight companies have already The full LWT application for made official applications to its own contract—a hid which is opposed by only one rival—Mr. Hughic Green—says: "Shoeld

separate breakfast-time contract not be awarded, it would be the company's intention in hold discussions with the London weekday holder, on the teasibility of a common seven day early morn ing service for viewers in the London regions."

The idea of a common London news service for the capital's television station is novel. Mr. Bryan Cowgill, managing director of Thames-which is also opposed by Mr. Hugine Green-said on Friday that the Company would start breakfast programme if the IBA preferred not to award a contract to a ne

Public Works Loan Board rates

	Quote	loans	repaid at	Non-quota	loans	A* repaid
Years	by EIP	A‡	maturity§	by EIPt	A\$	ភាគឈាំហូ
ip to 5	143	141	147	151	15	15
ver 5, up to 10	143	143	145	15}	15	151
ver 10, up to 15	143	141	14}	15}	151	15
ver 15, ap to 25	141	144	144	15	15	15
ver 25		14	141	15	13	12
	_		•	_		

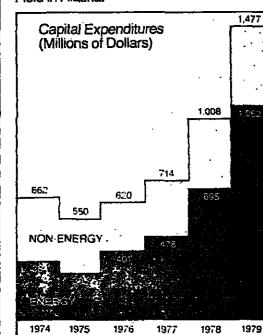
*Non-quota loans B are 1 per cent higher in each rase than non-quota loans A. † Equal instalments of principal. † Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payment of interest only

Capital expenditures climb to record \$1.5 billion, with over \$1 billion spent on energy.

Tenneco increased its capital expenditures in 1979 to a record \$1.5 billion, up 47 percent from 1978 and more than twice the amount of 1977.

More than \$1 billion, or almost double the \$571 million net income for the year, was invested in energy projects-\$953 million for oil and gas exploration, production, refining and marketing and \$109 million for improvements to our 16,000-mile natural gas pipeline system.

In the United States Tenneco acquired almost 1.4 million additional acres of mineral leases and fee lands in promising geologic areas onshore. And we again were very successful in adding offshore leases—12 prime blocks in the Gulf of Mexico, three in the Baltimore Canvon area of the Atlantic, interests in 15 blocks in the unexplored Georges Bank area off Massachusetts, and three in the Beaufort Sea north of the Prudhoe Bay Field in Alaska.





Part of Tenneco's continuing search for new energy supplies is this platform. engaged in exploratory drilling in the Sabine Pass area of the Gulf of Mexico.

We also took a 50 percent interest in a giant oil-shale recovery project in Colorado and prepared to enter a test production program in the Athabasca Tar Sands of Canada. We began pipelining natural gas from Mexico, made progress on programs to obtain additional gas from Canada, obtained government approvals to participate in the nation's first commercial-scale plant to convert coal to synthetic natural gas, and continued plans to import liquefied natural gas.

Our energy record for 1979 increases in oil and natural gas production and full replacement of reserves produced, plus success in adding new sources of supply for our natural gas

pipeline system—points to our expectations from these additions and projects. And we expect our energy investments to grow even more in 1980.

Our 1979 investments also included more than \$400 million to expand our diversified non-energy businesses. They include farm and construction equipment, chemicals, automotive components, shipbuilding, agriculture and land management, packaging, and insurance.

That's Tenneco today: growing in energy...and more.

For further information, write Section FT-2 Tenneco Inc., P.O. Box 2511, Houston, TX 77001.

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Co-operative Bank

Highlights from the Group Accounts for the year ended 12th January 1980

A. (1)	1979£'000	. 1978£'000
Total Assets	598,098	458,507
Group Profits before taxation	6,244	5,577
Group Profits after taxation and minority interest	5,941	4,642
Share Capital	8,000	8,000
Reserves	33;260	27,319

Co-operative Bank Limited

The past year has seen rapid developments in many areas of the Bank's

Personal Accounts—expansion continues to be rapid with a 15% growth in account numbers during the year

Personal Bankers - to help ensure a friendlier and more personal touch, selected branches are introducing Personal Bankers, specially trained staff who are allocated specific responsibility for all the requirements of particular groups of

Small Business sector—activity in this sector continues to grow, with lending to businesses in general now standing at just under one-third of total lending. Handycard-since its national launch in September 1979, expansion has

been rapid, with over 40,000 holders at the end of the year able to use their Card in 600 shops throughout the country—the most widely available card of its type in the

Visa —the Bank has become a "principal member" of Visa, the largest and fastest growing option account credit card operation in the world, and will begin issuing its own Visa Cards during 1980.

<u>Co-operative Investment Management Limited</u>—this new company has been established, jointly with merchant bankers S. G. Warburg & Co. Ltd., to meet the needs of co-operative society and trade union pension funds.

Handybanks - during the year the number of these convenient in-store banking points has grown with major developments particularly in London and

Customer Service Bureau - this high-technology centre already houses the Bank's new main-frame computers with many times the capacity of the previous equipment at Manchester and Bureau equipment now handles a growing proportion of branch back office routines.

Eurocurrency capital market participation—the Bankhas raised US\$25 million by means of a floating rate capital note issue.

Leasing - designed to supplement the activities of F.C. Finance Limited, the Bank's subsidiary finance company, the Bank's own leasing facility has provided a growing service to the Co-operative Movement.

F.C. Finance Limited

Although the company's activities have expanded during the year, particularly as regards new business, the adverse effects of high interest rates throughout the year have seriously damaged profit performance. Changes in the mix of business have continued, with activity in personal and industrial credit, and in leasing, expanding compared with further reductions in property and construction.

Holyoake Insurance Brokers Limited

Insurance and investment contracts arranged for Bank Group customers trebled during 1979, and the services offered to customers were extended in several directions. In particular, the new "Club Insurance Scheme," offering what is believed to be the widest form of cover currently available to clubs at competitive rates, is generating a great deal of interest.

With continuing rapid expansion coupled with radical adjustments to methods of operation it has not been an easy year for any member of staff Nevertheless, they have stuck to their tasks with a tremendous sense of purpose and enthusiasm which must augur well for the future of the Group.

Head Office, New Century House, Manchester M60 4FP City Office, 80 Combil, London EC3V 3NJ The Principal companies of the Group are: Co-operative Bank Limited Co-operative Commercial Bank Limited F.C. Finance Limited Holyoake Insurance Brokers Limited

Co-operative Investment Manage

Bank

The salesmen have been on

the road for several months, and

already the group has several "letters of intent" to buy from

various undisclosed airlines round the world. These are

likely to be converted to firm

contracts over the next six

The 88-106 seater BAe 146

space. Total development cost

is likely to be about £250m, of which about £70m had been

spent by the end of last year.

with another £50m being spent

in the current year.

The group, however, believes

that it is on to a winner with what has been called the Baby

Airbus—an aircraft designed to

meet the need for a very short-range, "bus-stop" type of quiet

et that can fly from rough air-

fields, serving local communities

Demand for such an aircraft

Report on Lloyd's ready in fortnight

THE REPORT into self-regula- ests, between the broker's role to examine Lloyd's constitution tion at Lloyd's of London is expected to be completed and submitted to Lloyd's ruling committee withi nthe next formight, and published next month.

It is likely to reveal among at Lloyd's. the seven-man working party, chaired by Sir Henry Fisher, which is preparing it, differences of opinion on important issues affecting the troubled insurance market.

In the course of its deliberations the working party has drafted a new Act of Parliament covering Lloyd's affairs.

It is the intention of the 16-strong ruling committee of Lloyd's, after adding its own observations to the report, to make the findings public. Full publication is intended, rather than edited highlights.

The inquiry team is not unanimous over all its conclusions. In some maters a majority view has had to suffice. No minority report is planned, although the report is likely to reveal the differences.

The most important difference is likely to be over ownership of underwriting interests by approved Lloyd's insurance brokers. The team has studied how acute are conflicts of inter-

as an agent of the assured, and the broker as insurer through the ownership of the under-writing agency companies which manage underwriting syndicates

Some of those giving evidence to the Fisher team said underwriting interests should be completely sold off from brokers. Other witnesses said directors of parent broking firms should not sit on boards of under-writing agency subsidiaries. Underwriting agency directors, some said, should not sit on the board of the broking parent

Taken in 1978

The decision to examine Lloyd's powers of self-regulation was taken by the Lloyd's committee in 1978 after a spate of problems in the market, which became public, and after widespread criticism of how Lloyd's dealt with the various troubles. dealt with the various troubles.

The working party was chosen by Lloyd's committee. It consists of four members of Lloyd's market, and three outincluding Sir Henry

the committee's powers, and other matter the working party thought appropriate.

Verbal and written evidence has been gathered during the past 17 months. It comes from all sections of Lloyd's and from parties outside the market. The draft new Act of Parlia-

ment is to add to existing Lloyd's principal Acts of Parliament of 1871 and 1911. Additional bye-laws have been Another difference is the question of how much informa-

tion members of Lloyd's who do not work in the market

should receive. Only about a quarter of the 18,500 private mbers actually work in the manket The rest provide individual wealth in the form of committed capital, which allows the market to function, in return for a share of profits. Usually, private means of £100,000 has to be shown by prospective members.

that have never had air services There has been criticism by many non-working members that their underwriting agents, s immense. Studies by British concerns managing their Aerospace show that the growth affairs at Lloyd's have not given them adequate information in passenger traffic world-wide between now and the end of about conduct of their interests within Lloyd's,

BRITISH AEROSPACE, the This will in turn generate a State-owned aircraft manudemand for up to 7,500 new airfacturer, is now increasingly liners of all sizes, from the confident that it will be signing biggest Jumbo jets down to the smallest feeder-liners, worth in the first contracts with overseas airlines for the new BAe 146 four-engined short-haul jet air-

all about \$230bn (over £100bn). Of this vast market, about liner before the end of this year. 1,650 aircraft, worth about \$26bn, will be for small, very short-range ist airliners—the "bus-stop" types, seating between 70 and 140 passengers.

The British 146 aims to cater for this specialist segment of the market. The aircraft will be offered in two versions—a Series 100, seating about 88 passengers, and a Series 200, seating about 106 passengers. Both will be built on the same prorepresents a major investment programme for British Aero-

Already, much work has been done. While the salesmen have been on the road, engineers have been pushing ahead on the prototype aircraft.

In the UK, seven British

Aerospace factories are at work in various parts of the country Brough, Chester, Bristol, Manchester, Scottish Aviation at Prestwick, Weybridge and Hatfield (where final assembly will be undertaken).

International companies are also involved. Saab of Sweden is building part of the tail unit and the wing trailing-edges. while Avco group of the U.S. is not only supplying the ALF 502-R3 jet engines (of 6,700 lbs

the century is likely to be about thrust) but also the wings.



of Belfast, is supplying the The aim is to get the first aircraft completed this year, for roll-out from the Hatfield assembly line next March. The maiden flight is scheduled for next May. A Certificate of air-worthiness is expected to be issued by August 1982, by which time about 12 aircraft will have been built, of which three will be involved in the flight test

MICHAEL DONNE EXPLAINS PLANS FOR THE BABY AIRBUS

programme. The aim is to have 18 aircraft delivered to airlines by the end of 1982, and to be building three aircraft a month by 1983. It is an ambitious target, but the British Aerospace Aircraft Group team engaged on the 146 is confident it can be achieved.

under way, they have already visited no less than 180 airlines and many more will be seen. From these, they expect to win orders from perhaps 60 to 70 airlines through the 1980s, so that by the end of this decade there could be orders on the book for as many as 400 air-

هكذامنالكمل

Whether this will result in a "break-even" position re-mains uncertain British Aerospace does not disclose what the break-even production figure is, and will not say what the selling price is—although it is believed to undercut its competitors, such as the Dutch Fokker F-28, the Boeing 737-200 and the McDonnell Douglas DC-9-30, by about \$1m to \$11m. This would put the price per

aircraft somewhere between \$12m and \$13m. The aircraft is being sold to the world's airlines on the basis of its fuel economy—the Avco

Lycoming ALF-502 engines are described as the most fuelefficient yet developed for any airliner—and its low noise. The "noise footprint"—that is, the area on the ground at take-off and landing affected by its noise—is said to be about half that of the present-day turbo-propeller airliners, al-

ready the quietest in the sky. British Aerospace recognises that it is taking a calculated risk with the 146. The aircraft is being financed with cash generated internally by British Aerospace, and no outside money is involved, either from the Government or from lending institutions.

The venture is being regarded in the strictest commercial light. Every six months, the Board of British Aerospace reviews the programme harshly. assessing the money spent against progress made. If at any time it becomes apparent that the venture is likely to fail, it will be cancelled.

But, so far, prospects seem good. The market is moving in favour of quiet, small, cheap fuel-efficient aircraft, and the salesmen are encouraged by the interest they have found

Steel stockholders' new sales monitor

BY ROY HODSON

STEEL SALES in Britain are to be monitored more closely by a new system devised by the National Association of Steel

The steel market has been confused since the three-month British Steel Corporation strike ended last month. The corporation has found itself competing with a large volume of foreign

The 270 member companies of the stockholders' association, currently handling 40 to 50 per cent of British steel trading, are now co-operating to produce an accurate trends survey.

First indications are that a clearer picture than anything previously available is emerging demand in Britain together with the present buying patterns of using companies

The stockholders are major beneficiaries from the mis-fortunes of British Steel. They are now confident that they will is about 30 per cent below their be providing 45 per cent of the pre-strike stock levels. steel used in Britain during the rest of 1980 compared with between 36 and 38 per cent in the period in 1979 immediately before the strike.

The main reason for the present confusion in the steel trade is that British Steel is having great difficulty in regaining the levels of business that it held until the strike.

Customers are holding on to second and third lines of supply from foreign steel companies. Many have switched to stock- compared with the previous holders and importers for sup- year.

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ment to find the cause and cure of MULTIPLE

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plies and are reductant to buy direct again from British Steel. The association's trends survey is providing up-to-date information to stockholders about levels of trade, trends in credit terms, use of steel stockholding capacity, and whether companies are building or reducing stocks.

Steel stocks in Britain were almost cleared during the strike. stockholding companies are generally resisting the creation of new stocks while money is

Steel-using companies are expected to work with stocks of between four weeks and eight weeks normal usage this year compared with 12 weeks to 18 weeks stocks held before the strike.

The steel stockholders are ing with lower stock levels. At present they hold about 1m tonnes of finished steel which

A certain amount of pur chasing from British Steel and from foreign companies to build stocks in the stockholders' warehouses is expected. Levels are not expected to exceed 85 per cent of pre-strike steel stocks.

Stockholders are now estimating that the total impact of the strike an de stocking on the British steel market together with the trade recession, will be a 10 per cent decline in demand for steel during 1980

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in return we'll send you a voucher, redeemable at your tobacconist, for a pack of 20 Vanguard cigarettes – the low tar cigarette with middle tar taste.

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of king size cigarettes.

Your application must be accompanied by your signature and the offer is strictly limited to one per household and to smokers of king size brands only. Applications must arrive by Friday 23rd May. Please allow 21 days for delivery. TO JKV20FT JOHN PLAYER AND SONS P.O. BOX 44, NOTTINGHAM NG7 5PY.

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H.M. Government Health Departments' WARNING:

CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH

Managers'

plea over

By Our Labour Staff

industry.

football."

shipbuilding

SHIPYARD MANAGERS have

joined workers in their oppo-

sition to Government plans to

sell off parts of their

Mr. Adrian Askew, acting

general secretary of the Shipbuilding and Allied Industries Management Asso-ciation, said efficiency and

viability could only come about if the shipbuilding industry remained united in

the face of one of the worst

He said at the union's

Government should

annual delegate conference at

the weekend in Newcastles

without further delay abandon

any plans to sell off parts of British Sphibuilders. The industry should not become

some kind of ideological

Robert Atkinson's appoint-

ment as chairman of British

Shiphuilders, however, he said his association would seek

assurances that British Ship-

builders would be kept united and that Mr. Atkinson was not

some kind of hatchet man."

A motion was passed over-whelmingly by the conference expressing solidarity with the

Confederation of Shipbuilding

and Engineering Unions In

opposing the fragmentation of

the industry and invited the Government "specifically to

repudiate any such intention.

member for shipbuilding at

British Shipbuilders, told dele-

gates that recovery to balance between supply and demand

in the shipbuilding industry

was still two years away. Even then it was dependent on a

number of things including the growth in world trade and the

Mr. John Parker, board

Mr. Askew welcomed Mr.

recessions in history.

US\$500,000,000

Medium Term Syndicated Loan

Bank America International Group Banque Nationale de Paris Deutsche Bank (Asia Credit) Limited

Gulf International Bank B.S.C.

Lead Managed By Bank of Montreal Asia Limited Belgian Finance Company Limited DG Capital Company Ltd. Wholly-Owned Subsidiary of DG BANK

The Bank of Nova Scotia Group Chase Merchant Banking Group Dresdner (South East Asia) Limited

Lloyds Bank International Limited Manufacturers Hanover Asia Limited National Westminster Bank Group Morgan Guaranty Trust Company of New York Toronto Dominion (Hong Kong) Limited

> Managed By Swiss Bank Corporation Amsterdam-Rotterdam Bank N.V.

Banco de la Nacion Argentina

American Express Bank Banco di Roma Creditanstalt Bankverein North Carolina National Bank

BT Asia Limited Bayerische Landesbank Girozentrale Marine Midland Limited Hypobank International S.A. United California Bank

Co-Managed By

European Asian Bank

Kuwait Pacific Finance Company Limited

Bank of America NT&SA Banque Nationale de Paris - Hong Kong Deutsche Bank (Asia Credit) Limited

The Bank of Nova Scotia Asia Limited The Chase Manhattan Bank, N.A. Belgian Finance Company Limited Dresdner (South Fast Aria) Limited DG Capital Company Ltd.

LRI Finance (Hong Kong) Limited Manufacturers Hanover Trust Company National Westminster (Hong Kong) Limited Toronto Dominion (South East Asia) Limited Swiss Bank Corporation, Hong Kong Branch

American Express International Banking Corporation Banco de la Nacion Argentina New York Branch

Morgan Guaranty Trust Company of New York

Gulf International Bank B.S.C.

Amsterdam-Rotterdam Bank, Tokyo Banco di Roma, Hone Kone Branch Creditanstalt Rankverein North Carolina National Bank

Bayerische Landesbank International S.A. Western International Capital Limited (Wholly-Owned Subsidiary of United California Bank)

Kawait Pacific Finance Company Limited European Asian Bank, Seoul Brunch Canadian American Bank S.A. The Bank of New York The National Commercial Bank Saudi Araba Midland Bank Limited

Commercial Bank of Kuwait SAK The Northern Trust Company National Bank of North America

County Bank Limited Bank Europaeischer Genossenschaftsbanken National City Bank - Cleveland Landesbank Rheinland-Pfalz und Saar International S.A.

European Arab Bank Gulf Riyad Bank E.C. Security Pacific Bank Pittsburgh National Bank

Asian-American Merchant Bank Limited, Singa Al Bahrain Arab African Bank (E.C.) "ALBAAB" Australian European Finance Corporation NV

Banco de Bilbso S.A. European American Bank (Bahamas)-Limited Indian Overseas Bank Foreign Currency Banking Unit International Bank of Singapore Limited

Republic National Bank of New York, Hong Kong Branch

Interamerican Bank Corporation S.A. F van Lanschot Bankiers (Curacao) NV Quar National Bank S.A.Q. The Wales Australia Limited

BankAmerica International Group Chase Merchant Banking Group Morgan Guaranty Trust Company of New York

Lloyds Bank International Limited

UK NEWS

Small claims scheme closed by success

BY ROBIN PAULEY

after nine years because it has become too. successful. .

The Manchester scheme's caseload has become too heavy, while its funds have been cut as authority . local

It started as a three-year legal research experiment funded by the Nuffield Foundation in 1971. It would then have closed but success of the scheme in providing quick, cheap and simple justice for individuals with claims of less than £500 had attracted attention. world-wide

The newly created Greater Ianchester County Council asked Mrs. Vera Ellison, a lawyer who founded the project, to expand its coverage to the whole county area. But last year the county allocated £30,000 in grant and then cut it to £20,000. This year funds have been withdrawn altogether. The scheme is not accepting any The more new cases, although it will Overtaking work through its backlog of about 150 outstanding claims until September.

Mrs. Ellison, who runs the with two assistants, said the number of claims increased beyond control since January because 12 consumer advice centres were closed in December as part of the county council's expenditure cuts.

The idea behind the scheme was that both sides in a dispute should agree to accept the arbitration's scheme's decision. Simple papers were filled in, and for a fee of £1 the case was

SHIPPING REPORT

THERE WAS little development

in tanker freight rates last week,

but the volume of chartering business started to pick up, especially for the Ultra Large

London shipping brokers report a rather surprising flurry in demand for these giant ships

in the Arabian Gulf. Exxon

fixed a 490,000-tonner for load-

ing mid-May on a voyage West-

scale 26. Several slightly smaller

ULCC's have been fixed at

Crude Carriers.

BY WILLIAM HALL, SHIPPING CORRESPONDENT

wards out of the Gulf at World- market continues to be buoyant.

șite. În a dispute about a damp installation against a buiuder, for example, an architect would be appointed arbitrator. He would visit the house. look under the floor boards and then sit in the living room with both parties, reaching a decision

within perhaps half-an-hour.
Although cases were referred to the centre by citizens advice bureaux or solicitors, no solici-tors could appear for either party. The arbitrator could be a lwyer but was more often a technical export.

The case load rose from fewer than 100 in 1971 to more than 1,000 last year. On increasing number of claims involved car accidents or car repair work. More consultant motor engineers were added to the list of voluntary arbitrators, who often sat in the evenings so that people did not need to take time off

The fastest settlement was reached within one hour. A citizen's advice bureau sent a shopkeeper and a customer to the scheme with a dispute about a pair of jeans. They arrived, filed the papers and paid a £1 at the same time as a textile technologist was hearing some other claims. He settled the claim at thend of his list.

The administrative costs of running the scheme have remained constant since 1971 at £30 per case, achieved largely because of economies of scale. But with so much work and year.

Carriers are commanding World-

are being fixed at Worldscale 28. Fixtures of Very Large Crude Carriers to the West have

At the smaller end of the

tanker market the time charter

been virtually non-existent.

scale 35/37 while Ultra Large

Charter business starts to pick up

BRITAIN'S only small claims heard by a voluntary expert no more funds the scheme was arbitration scheme is to close arbitrator.

overtaking itself as a local overtaking overtaking itself as a local overtaking itself as Many claims were heard on private experiment. In addition to 1,000 cases last year the scheme gave advice to another 3,500 people on what action to take or what letters to write

next. Mrs. Ellison is now hoping for funds to support research to demonstrate the need for the county court structure to be reformed nationally, so that each court has a separate small

claims arbitration section. It could use the same buildings and sit in the evenings but without the usual expensive and complicated court apparatus of registrars and lawyers arguing in terms unintelligible to many claimants.

The present limit for a small claim in the county court is £200 and the legal costs involved, particularly in an unsuccessful or long and complicated case can be more than the claim itself.

For a higher claim—say £400—an unsuccessful claimant could risk a bill of thousands of pounds and may have to wait

years for the case to be heard. "There is a national problem which needs solving. We need a return to the Middle Ages style of justice where a quick, simple, acceptable decision was made by arbitrators on the spot in disputes at market," Mrs.

Ellison said. The only other small claims arbitration scheme was established as a research project in Westminster, foundered for lack of funds last

In the dry cargo market, the

signs are that the recent boom is beginning to peter out. Galbraith Wrightson notes in

its weekly bulk carrier report

that demand for U.S. and

Japanese steel is declining and

this will soon have an impact

U.S. steel mills are working

For trips Eastwards out of the Worldscale 195. Chevron fixed

Arabian Gulf rates are better. another smaller tanker (32,300 Shipbrokers E. A. Gibson dwt) for six months at the

Galbraith Wrightson report a at close to 80 per cent capacity

48,000 dwt vessel was fixed for compared with 90 per cent a

a year at \$12.45, equivalent to couple of months ago.

Shipbrokers E. A. Gibson dwt) for six months at the reported Very Large Crude equivalent of Worldscale 248.

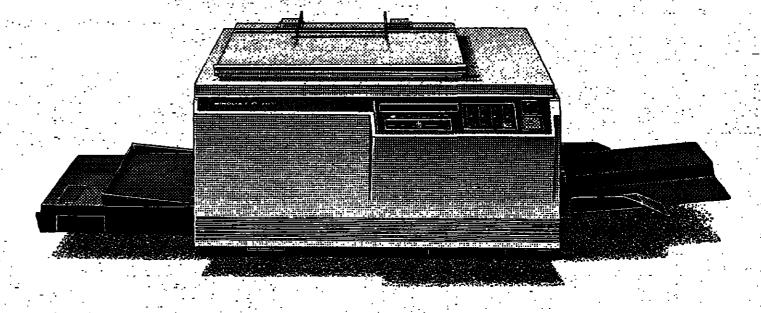
rate at which old tonnage was But he said that when the recovery did come it could be quite sharp.

We need one good final shove to get us across the gulf," he said, adding that the corporation's target order book of 4000,000 gross registered tonnes by this summer was "well on the way to being met."

He said the greatest threat remained uncertainty surrounding public sector orders which British Shipbuilders had planned for last summer.

Mr. Parker said one of the things he wanted was a fairer deal for British shipowners on vessel finance.

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Now you can have superb-quality photocopies on plain paper, even on transparent film or offset masters, from a small, table-top machine. Measuring only 57 x 31 x 48 cms, it his right next to your typewriter. Chances are, you'll find the little Minolta measures up to your office requirements perfectly.

Meanwhile, here are some of the most important innovations you'll discover:

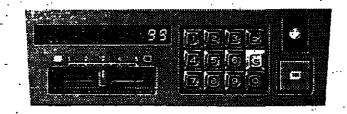
Revolutionary dry-toning technology.

An exclusive, Minolta-developed Micro-Toning System provides the key to outstanding copy quality. Based on a unique, exceptionally fine-grained micro carrier and even-grained micro toner it gives blacker blacks, finer fine lines and crisper half-tones.

Time after time. It's also very economical in use, and makes toner replenishment super-simple.

Multiple copies, plus interrupt facility.

The little Minolta also has a sophisticated micro-



computer with a built-in memory. The 10-key programmer lets you order up to 99 copies at a time, interrupting when you wish for single or multiple copies from a different original.

And no need to reset controls afterwards.

Innovative indicator panel.

Brightly-lit, well-positioned indicator symbols tell you when to add paper or toner. In fact, even if trouble does occur the microprocessor can make its own diagnosis, reducing service time to a minimum.

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While the unique, dual-body construction means easier access—faster servicing.

Cost-saving efficiency.

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UK NEWS - LABOUR

NEWS ANALYSIS IPCS AND CPSA CONFERENCES

Unions threaten Civil Service pay system

system which determines their it lies mostly in the conflicts of members' annual pay increases. its internal politics.

Final indications yesterday before the annual conferences of the Civil and Public Services Association and the Institution of Professional Civil Servants open today, in Southport and Eastbourne respectively, were that Mr. Ken Thomas, CPSA general secretary, would succeed in preventing CPSA withdrawal. but that the IPCS is likely to

Withdrawal of even one union would be a serious blow to the pay research system, which annually shows rises due to civil servants by comparing their pay and fringe benefits with those of industry.

The Government would probably welcome the Civil Service unions themselves dismantling what many believe has been a piece of inflation - stoking machinery since its inception in sion on pay in the Service.

of taleful

erintorina pa

Ever since, governments have had to pay out the often embarrassingly large rises pay research shows are due.

Government efforts to control the system, for instance, by making it subject to cash limits this and last year, have not resolved the annual dilemma. The Prime Minister must be

Other TUC unions are the decision tomorrow. astonished at the prospect of The union argues the two unions voluntarily with research has become a

pointed at the results of tion Crucially, it has failed to parisons with higher-paid bank Clegg and other comparability maintain internal pay rela- and insurance staff tend to pro- exercises last year looked tivities—at present top grade duce satisfactory increases for to see his comparability commission accepting fewer stopwork for. The union is seeking unuions dissatisfied with nav
gap references and taking on a for a new content.

white collar civil

TWO OF the largest unions in disappointing arbitration award collective bargaining and industhe Civil Service are today for half its members earlier this trial action. poised to withdraw from the year. For the CPSA, long long running comparability wracked by factional divisions,

> Though for years the more moderate of the two unions, the research. The union led 50,000 professional and technical members into their first major strike last summer. The IPCS eventually agreed to go to arbitration, but the award. though it gave incresses of 19-27

per cent, was a disastrous blow.
It went right against the basis on which settlements for the P & T group had been reached over the years, and was widely seen as a resunding victory for

unions astonished at the prospect of the CPSA and IPCS voluntarily with- mark this year's settlement would have been held down to drawing from what the the 14 per cent provided for in 1956, following the report of Transport and General the Priestley Royal Commis- Workers' Union research Workers' Union research department has called "the most professional and expert job-for-job Despite political manoeuvring by the left over the conference comparison

pleased at the prospect of the ing all co-operation with pay unions themselves resolving it research after this year. Confor this particular Government, ference is expected to endorse

research has become a straight- of Civil Service Unions, brought drawing from what the Trans- jacket, that it has failed to keep in this month to replace the old port and General Workers Civil Service pay abreast of national Staff eide the CDSA Union research department has rising pay and prices, and that and IPCS between them can called "the most professional it has failed in one of the main muster 31 out of the 63 seats. and expert job-for-job compari-son exercise available.

A number of unions disap
A number of unions disap
A number of unions disaplongingly at pay research. Even blue collar civil servants are its members, will not lend its Prof. Clegg himself would like earning more than the IPCS support. But if the CPSA and

The left argues that the Government has repeatedly dis-regarded the present pay agreement. Because cash limits for the service are set before its IPCS seems more determined than the CPSA to be rid of pay both pay research and negotiations which follow it have become irrelevant; and in any case, comparing low-paid memworkers outside the service simply promulgates the pay

> with it. The right supports research, partly because the moderates are reluctant to take industrial action and doubt its effectiveness. They see-the left's tactics as being politically rather than industrially motivated.

Mr. Ken Thomas, CPSA general secretary, thinks that without the pay research benchsash limit, instead of the 18.75 per cent achieved.

mean the union would have to "book out tickets and depart exercise agenda, Mr. Thomas's personal popularity is expected to sway

Technically, it needs a twothe Civil Service Department, thirds majority of representa-The IPCS responded by refus- tives from all nine Civil Service unions to give the required six month's notice on the present pay research-based pay agreement. Under the new representa-The union argues that pay tive arrangement of the Council national Staff side, the CPSA

role akin to that of the pay restore differentials.

research unit.

Thinking on pay reasearch

So why are two unions, representing about half, of the matters in the union, is split system would be seriously between left and right. The undermined, threatening the considering with left would like to be free to future of a much-envied body drawal? For the IPCS, the determine pay increases by any for the other Civil Service

SOME GOOD BUSINESS NEWS FORACHANGE.

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No talks fixed in ITN dispute

BY GARETH GRIFFLITHS

INDEPENDENT Television News is likely to remain blacked out until at least the middle of the week because of a dispute over electronic news gathering technology between the ITN manage-ment and the Association of Television Cinematograph. and Allied Technicians. -

Mr. David Nicholas, ITN's editor, said yesterday be could not see any possibility of transmitting programmes before Tuesday and perhaps

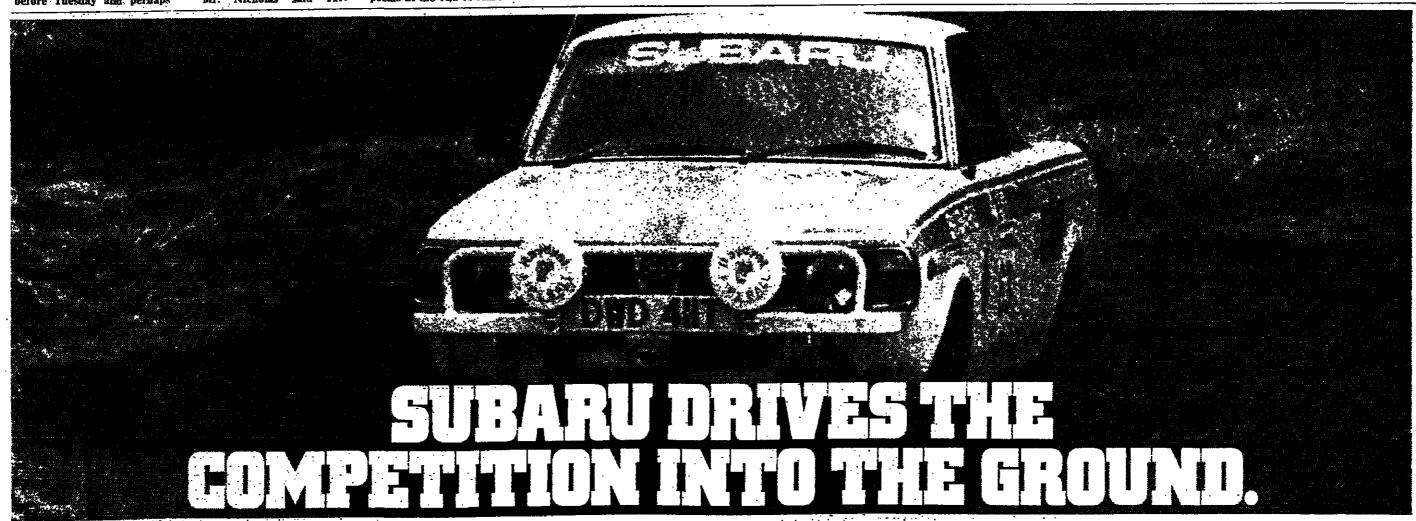
later. No talks had been arranged with the union. ITN says it is prepared to meet union officials at any time.

The dispute over the handling of news material handled hy Electronic News Gathering (ENG) equipment started on Friday when ACTT members at TTN refused to handle material from Gramplan Television ITN says such material has been handled in the past and is now a customary part of normal work.

Mr. Nicholas said ITN

could not accept that such material should be subject to veto by local union officials. The company had held talks with the ACTT over a local ENG agreement since Novemprocedure laid down at the end of the ITV strike in the autmun, in order to break the

About 250 ACTT members at ITN are involved in the dispute. They rejected the ITN local new technology proposals at the end of March.



1ST 2ND & 5TH IN COP DRIVE 80. BRIT rain's toughest 4-wheel drive ev THE TEAMS WE LEFT BEHIND

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Building and Civil Engineering

Major awards to **Taylor Woodrow**

construction of a 10-storey office has appointed the company as block at Farringdon Street in managing contractor for the the City of London is Taylor new terminal four complex at Woodrow Construction, Norwich Heathrow airport which is to Union Insurance Group is fund- handle 8m passengers a year ing the development estimated (bringing Heathrow's capacity to be worth about £10m.

Architects are R. Seifert and partners, quantity surveyors. Rider Hunt and Partners, and consulting engineers (structural) Taylor Woodrow's architectural design division, with services by the company's to the A30, and landscaping mechanical, electrical and process division.

Work involves the erection and completion of the block which will provide some 96,000 ft of nett office space. Also included are service areas in the basement and at roof level, and parking facilities at level, and parking facilities at ground floor level. A restaurant by Lovell will be provided at pasement

The building has a reinforced concrete frame on piled foundations with a granite facing to lifeld. Crawley, Sussex. The the Farringdon Street elevation: contract calls for 176 three-pre-cast aggregate panels to the bedromed, four and five-person

Provision is made in the the dwellings are completed, contract for all plumbing over 700 homes will have been mechanical, electrical and lift built on the estate by Lovell, installations, air conditioning, for Crawley Borough Council, suspended ceilings. .carpeting under contracts totalling nearly and other furnishings.

External work to be under-

The project is now underway

One of the most successful

innovations in the world of

group of foreign currency

futures contracts: British

pounds, Canadian dollars,

French francs and Dutch

That translates into daily

volume that frequently

international exchange is our

Swiss francs, Deutsche marks,

Japanese yen, Mexican pesos,

guilders. Almost one million

contracts were traded in the

approaches a billion dollars.

Now we have greatly increased

the scope and flexibility of the

IMM's foreign exchange mar-

kets with several important

changes. Foremost among

these is doubling the num-

ber of contract months

first quarter of this year alone.

up to £38m passengers a year). This project is estimated to cost £150m and includes a terminal building, forecourts, storey car park, link to the cargo tunnel, a new connection to the A30, and landscaping screens. Design also allows for future underground rail links.

£3m housing

Y. J. Lovell on a two-year project, at Bewbush North. remaining elevations; and some houses using the Lovell timber brickwork at ground level. frame housing system. When frame housing system. When

This latest contract involves taken includes paving, drainage, building the houses in 22 mains connection, landscaping terraced blocks using eight house types. Cladding will be in brickwork, with tile or and completion is scheduled for timber sections on some of the autumn 1981.

Rush and Tompkins busy

Tompkins totalling £5,25m is worth £1.93m and is for the construction of a factory and offices Design Associates. for the Imperial Group at Melbourn, Cambridge.

Work is due to start shortly on a £400.000 warehouse extension and loading bay for Brunton and Co., at Wandsworth in south east London, and two refurbishments have recently started in central London. One of the latter is for improvements to offices at 207-209, Regent Street, W1 under a £394,000 contract for the Crown Estate Commissioners, and the other is for alterations and refurbishment of the Drum Bar at Waterloo Station to form a fast food unit for British Transport

Hotels (BTH).

LARGEST OF the latest con- £382,000 and will be the second tracts awarded to Rush and refurbishment within a year that Rush and Tompkins has carried out for BTB in association with the architects Stewart McColl

> The company also has three contracts in the North East: of which the largest, worth £1.65m is for alterations and additions to the Greater Lancastria Cooperative Society's store Market Square, Lancaster. This involves demolition of part of the existing store, rebuilding behind an existing façade and alterations to that part of the premises which is being retained.

Other jobs in the North East are a £120,000 contract for at Billingham and a £376,000 project for Blackett Hutton and Co. at Guisborough. Cleveland calling for testing oteis (BTH). facilities, a pattern store and The latter project is valued at ancillary works.

Midlands work for Laing

won in the Midlands by John Laing Construction.

Road, Nuneaton, under a contract worth more than £2.3m for the West Midlands Regional Health Authority. Work is due to start this summer with completion scheduled within the next two years.

Construction will be of precast concrete frame with brick vices plus lifts cladding and the contract also laboratory furniture.

World Currencies.

Why the IMM has expanded its foreign

exchange markets.

from four to eight per year.

This will serve to expand the

opportunities for banks, cor-

porations and other traders

traging and spreading. The

regular contracts for January,

In addition to the schedule of

remaining months of Febru-

ary, May, August and November will be inserted in the "spot"

YTERNATIONAL MONETARY MARKET

Division of Chicago Mercantile Exchange

Offices in New York and London.

regular contracts, the four

month rotation, making it

possible to trade in a current

month throughout the year.

engaged in hedging, arbi-

expanded schedule offers

March, April, June, July,

September, October and

December.

TWO CONTRACTS totalling to- includes alterations and exgether nearly £4m have been tensions to the existing hospital kitchens and dining room, together with external works.

At Birmingham General The company wil build a two- Hospital, the old casualty block storey geriatric ward block and is being demolished to make a day hospital at the George way for a new teaching block Eliot Hospital in Heath End being built for the University of Birmingham in association with the Health Authority. This project is worth £1.5m and will be constructed in reinforced frame on pile foundations with brick cladding and a mainly pitched, tiled roof. Work also provision of all electrical and mechanical vices plus lifts and fixed

A spot month trades without

daily price limits so it can

constantly stay in line with

world interbank prices, sig-

relationship that exists be-

foreign exchange market.

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is to respond to the needs

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tant aspect of doing business.

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nifying the increasingly close

tween the IMM and the global

ment Street, London, opposite cubic metres of excavation to On a restricted 1,800 square metres site, the eventual 40metre high structure, measuring 70 matres by 16 matres by 16

Billingsgate Market. ing 70 metres by 16 metres on engineers are Pell Frischmann

UNDER A £9.8m contract from crete frame construction, Heathersett Investments, Sir externally clad in brickwerk, it Robert McAlpine and Son is 12 Robert McAlpine and Sons is to will be supported on piled build an office block in Monu-foundations following 10,000 a maximum depth of 12 metres. plan, will offer some 12.000 and Partners. Completion is square metres of office space. programmed for mid-1982.

East London road study

£9.8m office block

Falconwood, Kent, is to be ing questionnaires. studied for the Department of

Such a road, 9 km long, would but the terms of reference involve a new crossing of the specify that it shall not be less Thames, and would assist the than that of the North Circular

possible alternatives on engin- consultants' brief, as does the eering and environmental location of the crossing.
grounds and will assess whether Halcrow's appraisal of the the scheme is justified in traffic scheme is required by Spring and economic terms. On com- 1981, with a view to the public

A SCHEME for a new road consultation." when members linking the A13 at Beckton in of the public will be asked to East London to the A2 at give their opinions by complet-

The standard of the road will Transport by Sir William be based on traffic predictions to be made by the consultants. development of the East London Road, which is a dual 2-lane Docklands by providing all-purpose road. It has not yet adequate access to the trunk road network in London and beyond.

The providing all-purpose road. It has not yet the road network in London and beyond.

The providing all-purpose road. It has not yet the road network in London and beyond. Halcrow's report will compare alternatives forms part of the

pletion of their report the con-sultants will organise a "public autumn of that year.

£9m worth to Lelliott

£650,000 refurbishment and upgrading office and factory project for Pasolds at Langley.

Two jobs for McDonalds Golden Arch Restaurants are

Work has also started on a DIY centre in London SW19 for Wickes Building Supplies under a £607,000 contract.

NUMBER OF different contracts just announced by John Lelliott total about £2m. and include a

worth about £1m and are for the formation of premises in Staines and London's Tottenham Court Road.

Other work includes alterations and fitting out of a banking hall and offices in the City of London for Banco de la Nacion Argentina.

More work for Monk

SIX CONTRACTS, comprising civil engineering work mainly in the north east, and a pipeline in East Suffolk, combine to make a total of about £2.8m awarded to A. Monk and Com-

Work at Doncaster for British Rail is valued at over £200,000 and covers railway embankment widening near Frickley. Resurfacing of runways, hangar aprons, taxiway, and a camp road, make up a £607,000 award from the Property Services Agency at the Allan-brooke Barracks, Topcliffe, north Yorkshire.

Improvements to the Leeds southern ring road are worth another £413,880, and include 860 metres of dual carriageway on the A610, plus a raundabout, at its junction with Royds

Tribute to

GEORGE WIMPEY has won the "Man of the Year" award presented annually by Construc-

It has been won in Wimpey's centenary year when guests at a luncheon in London last week to mark the occasion were reminded that the business was acquired in 1919 for under £3,000 and, today, turnover is over £1,000m.

Speaking at the presentation of the award, Mr. Gordon Brunton, chairman of the civil engineering economic development committee and managing director of The Thomson Organisation said it would be origanisation said it would be misleading to deduce that after 100 years of strenuous effort that Wimpey was beginning to flag. On the contrary it was very apparent that since recent management reconstruction the group had been given new

WASHINGTON, D.C. A Renaissance of

A luxury hotel in the great ropean tradition. Elegant, quiet,

THE MADISON

Nottingham concert hall

BOVIS HAS just started work on a 2,500 seat concert hall under a £7.5m contract awarded by Nottingham City Council. This will be built on the city's island site alongside the Theatre

Royal (which was rebuilt and restored to its original style by the company during 1975-77). Bovis is again involved with Renton Howard Wood Levin Partnership—also architects for the restoration of the theatre—

in this complex design.

Both buildings will be linked at street level with anow central box office which will cater for the entire complex.

The interior of the concert hall has multi-level foyers with bars, buets and general meeting areas which will be linked by a glazed staircase which will spiral up and out. Two passenger lifts will also prove access to all levels.

Steel for Cyprus

SHROPSHIRE-BASED tural engineer, W. H. Smith & Co., (Whitchurch) is to supply and supervise erection of 1,200 tonnes of steel for the Dhekelia

B power station in Cyprus. The £3m order was placed by the consortium of George P. Zachariades and Atlas Pantou Co., of Limassol, and delivery is scheduled for July to September this year.

Consulting engineers for the project are Scott Wilson Kirkand Partners Basingstoke.

Award to **Turriff**

CONSTRUCTION Castington Young Offenders Establishment. Morpeth. Northumberland, is to be undertaken by Turriff under a £1.6m award from the Home Office. The contract includes the superstructure for the recep-

tion, kitchen, living and sports hall blocks and there will be a new administration block, and a control/surgery block. The brick and concrete structure is to be of conventional design and there will be associated landscaping to include trees. Architects are D. A. Reed and Associates in association with

the Home Office Directorate of Works: quantity surveyors are Crosher and James. Completion is due in the spring of 1982.

Engineering contractors to the oil,gas,chemical, process and powergeneration industries.

William Press Circup-Tel-01-353 6544

Industrial project

BRYANT-SAMUEL ments, in association with the Standard Life Assurance Company, has commenced development of a major, new 50 acre industrial site at Solihull, we Midlands where Bryant Construction will be carrying out

Called Monkspath Industrial Park, Solihull, the site is located about 800 yards from the M42 junction with the A34 Birmingham to Oxford trunk road, with the work the NEC. Birmingham Airport. the station a few minutes drive

away.
The site will produce over 900,000 square feet of new warehouse and industrial accommonouse and industrial accommo-dation, and work on the first phase is beginning with the result that almost 200,000 square feet will be released between June and August this

Traffic flow will be controlled by a management office at the main entrance and the whole area will be landscaped to en hance the surroundings, which include a 90-acre public amenity area. This will be created u. conjunction with the local authority and will be dedicated by the Insurance group to Soli hull Council with a full security control maintained on the estate

by the landlord.
Architect is Peter Hing and Jones; quantity surveyors Hart Gilmore Associates; and build-ing work is being carried out by Bryant Construction.

The units will be available on leas for industrial or warehous ing purposes, and rents for the first phase will be from £2.30 per square foot.

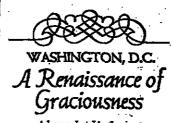
Joint agents are Phoenix Beard and Grimley and Son.

IN BRIEF

· Haden Young has been awarded an £800,000 contract for the installation of all mechanical services for new offices in the London Crosswall development which comprises office and residential accommodation in two linked blocks.

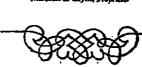
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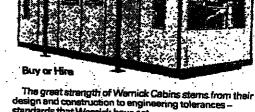
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FINANCIAL TIMES SURVEY

Monday May 12 1980

Word Processing

The means exist now to greatly increase the efficiency of the office, so that many laborious tasks, and some complicated ones, can be done by machines. A race to supply the varied hardware to do this work has developed between manufacturers, big and small who are anxious to win a strong position in the market.

Assault on the office of 1980s

By Guy de Jonquiers

A REGIMENT of salesmen, armed with all manner of time-and-motion studies, flow charts and impressive-looking statistics on workers' productivity is waging a vigorous campaign to bring automation to the office of the 1980s. If your office has not yet been visited by these advance guards of the technological revolution, the chances are that it soon will be.

The marketing arguments deployed invariably emphasise how superficially—by comparison with the factory—the office has been affected by automation until now. The latest machines which will change this pattern will be on show at the International Word Processing Exhibition at Wembley Conference Centre from May 20-3.

A 68.51

Most of the innovations introduced since 1900, like the electric typewriter and the photo-copier, have been almed at simplifying and speeding the a word processor is the addition performance of existing opera- of a memory, enabling informative files and to substitute almost twice as fast as dain tions rather than at changing tion fed into the machine via one word or phrase for another wheels, the quality of ink justice their essential characteristics the keyboard to be stored and consistently throughout a docuprinters is not quite as high.

increase greatly the output and efficiency of the office by turnexclusively by human beings. Automation, it is argued, will not only free office personnel to concentrate more on issues requiring human judgment and decision; but with staff over-heads constantly rising, and the cost of the latest electronic technology falling, there may in the longer run be no option but to automate.

The word processor will be the starting point chosen by many companies withing to put the fruits of the latest technology to work. An estimated 60 companies are marketing such machines in Britain alone, and the prospective customer may well find that his main difficulty in deciding to make a purchase lies in selecting one model from dozens of different products competing for his

Evolution

cessors do not in themselves represent a revolution in technology. Rather, they are the product of a steady and clearly traceable evolution which began with the invention of the manual

typewriter.

But the means exist today to played back later. One of the ment Some machines also per-crease greatly the output and first word processors, the Shulz, mt simple calculations, such as ficiency of the office by turn-developed in the U.S. early this addition, to be carried out and ing over to machines many of century, used folded punched of the most common and cards. This was followed in the repetitive tasks which hitherto 1940s by the Friden Flexo-had to be performed mainly or writer, also American, which used punched paper tapes; these could be swapped around at will to allow information from a variety of different sources to be compiled into a single

> The next step, pioneered by IBM in the early 1960s, was to replace paper by magnetic tape, then by magnetic cards, enabling an operator to make limited textual amendments. But the biggest advance of all, largely responsible for the growing versatility and popularity of word processors, has been the development over the past five or so years of inexpensive chipbased micro-processors and electronic memories.

The advent of the microsor has made it easier apply computing power to ord processing. This has word processing. This has meant that not only the contentof a document can be changed, but its format too. Modern word processors allow the operator to remove, insert and Though capable, if properly operator to remove, insert and employed, of having a dramatic re-order whole paragraphs as impact on efficiency, word proensuring that columns of text automatically justified have flush sides) and hyphens inserted where appro-

The more sophisticated machines offer other features The main feature which as well, including the capacity distinguishes a typewriter from to list names in alphabetical order, to search for and re-

the results to be inserted in

This expansion of functions has been accompanied by improvements in hardware. Since the early 1970s word processors have sprouted video display units (VDUS), similar to television screens, on which information can be shown while it is being worked on via the keyboard.

The VDU was developed originally as a way to display data generated by computer and transmitted at speeds too high for a conventional printer to handle. But its arrival has also-facilitated the task of manipulating information when extensive editing is required.

Clearer

Printers have been improved too; the near universal use of fixed carriages and moving heads has led to clearer and more even reproduction of characters than on a typewriter. The golf ball head, borrowed from the typewriter, is still common where low speeds are adequate, though revolving "daisy wheel" printers, which are up to four times faster, are rapidly gaining in popularity. recently, ink

printers have been offered by number of manufacturers. These spray tiny jets of ink on to the paper, forming patterns of closely-spaced dots which, to the naked eye, appear as cyharacters. Though they are almost twice as fast as daisy wheels, the quality of ink jet

Sharp reductions in memory costs have extended the range of storage media that can practically be attached to a word processor. Magnetic cards, which can store only about five pages of text, have mostly given way to tape cassettes and, inwhich can store up to 160 pages at reasonable cost. The new generation of high-density storage rigid discs, just starting to reach the market, may prove worthwhile for larger installations, though they are quite ex-pensive.

The benefits to be obtained from word processing vary, as might be expected, according to the type of material being processed, its volume and the size of organisation in which it is being performed.

A study by the Civil Service Department published last year found that in a Government office output of mixed typing loads was between 10 and 70 per cent higher than when using electric typewriters. The biggest gains were achieved when extensive textual amendment was required and when repetitive and multiple address material was being handled. For "one-off" documents and correspondence. the improvement was comparatively small.

The prospective user must make a basic choice about the type of word processing installation that suits his needs. If his organisation is small, with only one office, he probably should choose a "stand alone" machine which, as its name suggests, is an autonomous unit. For largerscale applications, the ilkely solution will be a clustered configuration, in which several

liked to a single, central cessing and memory facility. Printers may be scattered in a vairety of locations.

It seems unlikely that most executives will want to operate the machines themselves, once the initial novelty has worn off. Typically, they will dictate a letter to a secretary who will "key" the text into the machine and run off a draft copy.

Final version

After this has been checked by the author, any corrections can be made on the VDU screen and th final version printed out. The text of standard letters can be stored for long periods in the word processor and ararngements can be made to allow manual insertion of words and phrases at specified points where updating of text or a more personal touch are required.

But the real value of word processing lies not just in its ability to speed up the output of printed paper; it promises in the future also to reduce radically the sheer volume of paper that needs to be shifted from one place to another. This can be don by linking distant word processors together in an electronic mail system.

It would work like this: an executive who wished to com-municate with another businessman 1,000 miles away would have his message "keyed in" to a word-processing device. It would then be converted into digital pulses and sent over a line to another telephone

which would alert the intended recipient that a message had just arrived. Then, by pressing a button, he could call it up on his VDU screen, have a hard copy printed or have the mes-sage stored in a computer

memory for future reference. Transmission would cost only fraction of the price of sending a first-class letter and would take place in a few seconds. Moreover, the whole operation could take place without the message ever being committed to paper, if the sender and the recipient so wished.

A further logical step is to integrate word and data processing in one system. Many word processors are in fact specially adapted microcomputers. though on most of them the two functions are not integrated. Among those companies which have gone furthest towards full integration is Wang of the U.S., and others seem certain to follow this trend.

At some point in the future, technology will no doubt permit offices to be built up around individual work stations. These would be desks equipped with VDUs, keyboards, telephones and perhaps copiers and facsimile as well. The information flow between these terminals would be carried in digital form, both inside the same office and between distant locations.

Before this can be done, satisfactory solutions must be found to the intricate problems of devising software which enables all the different elements in such an integrated system to work together smoothly. This is likely to prove machine at the receiving end, a major task, though systems

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Electronic mail Viewdata network Design choices

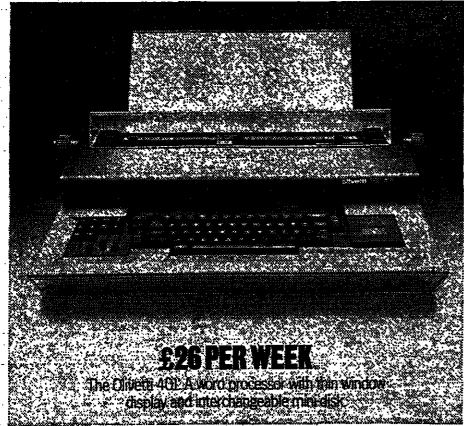
they will make major progress over the next few years. However, the speed with

which such schemes are put into effect will not be governed technical factors alone. Complex social considerations increasingly will play an increasingly important role. Office automa tion, if it is to make its full contribution to increased efficiency and productivity. almost certainly will entail farreaching upheavals in established routines.

Many existing jobs will have to be redefined, and some may well be lost. Inevitably and understandably, there is certain to be resistance from a number of quarters to too rapid a pace of change.

The manager of tomorrow who contemplates embarking on such a change will have to be able not only to master the essentials of the latest developments of technology; he must also be prepared to deal with the very real human and psychological

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Wang, show me your way.

Electronic mail replacing work of the secretary

AT ITS offices in Tulsa, Okla-homa, the U.S. oil company phasing out the secretary. When an executive wants to send a letter, he calls up a central word processing facility and dictates the text. An operator then enters it into a computer via a keyboard and it is edited by the computer either the properties of the computer of by the executive, either in hard copy form (i.e. printed on paper) or on a display screen close to his desk.

If the letter is to be sent to another employee of the com-pany or to a recipient with a executive simply presses a button and it is transmitted electronically. For communica-tions intended for wide distribution, the company has drawn up a number of "mailing lists." If any of the intended recipients is not linked to the electronic network, the system automatically prints out a copy of the letter and a mailing label bearing his name and postal

Amoco's system is one of the most advanced now in operation anywhere. But if industry experts are to be believed, the next decade will see a dramatic growth of so-called electronic mail srvices which wil loffer faster, cheaper and more convenient facilities for document ransmission than are currently available either from telex or through the postal services.

Electronic mail is a generic, rather than a specific, term. It covers a wide variety of methods for transmitting different types of documentary material. But, clearly, if it is to develop in a way that will benefit the maximum number of users, measures must be taken to ensure that as many different terminals as possible can communicate with each other in mutually intelligible language.

National telecommunications administrations from many countries are already at work in the Geneva-based Inter-national Consultative Committee for Telephone and Telegraph (CCITT) on a proposed stan-dard for one form of electronic It aims to lay down greed technical norms, govern-



An operator using a Vydec terminal which allows editing on the screen of material which

ing such issues as the specificaterminals, types of network interconection and opreating codes. network

If the proposal, known as the "teletex" standard, is adorted, it owuld tecnically govern only transmissions across frontiers. But it would be reasonable to assume that it would also be accepted de facto as the conventional method fo electronic mail inside many of the countries represented in the CCITT.

A typical teletex terminal would resemble closely a word processor equipped to communi-cate with other machines across a telephone line (though some of the more sophisticated electronic typewriters could also be used). In some countries, it is thought, the national telephone authorities (PTTs) might retain the right o market ter-minals; bu in others, notably the U.S., independent manufacturers would no doubt be free

to supply equipment. A recent study by Mackintosh Consultants, who analyse the electronics industry, sees a bright future for teletex. It forecass that teletex raffic will start growing rapidly within about the next two years and hat volume will reach 4m items cation of pure data between a day in Western Europe and 2m items a day in the U.S. by 1987. By then, it expects teletex largely to have eclipsed telex as a method of transmission. Teletex has numerous advan-

tages over telex. It is quicker, printing up to 300 characters per second against a maximum of seven, and therefore more economical on transmission time. That means less congestion and lower communication costs. It also offers more versa-tile editing facilities, clearer character reproduction and a lower error rate than telex, while operating less noisily.

while operating less noisity.

Teletex can also be developed into a vehicle for carrying more than text. It can also be equipped to transmit images through the addition of facsimile transmission and reception facilities. That would also permit the transmission of text. permit the transmission of text which already exists in docu-ment form without having to "key" it into theferminal from which it is transmitted.

Samples

The most advanced facsimile machines now on the market use digital technology. The page is read by a scanning unit which takes periodic samples at very high speed. If a sample is white, a signal is generated; if black, no signal is sent. At the receiving end, black areas are reproduced by a series of tuny dots spaced so closely together that they are barely together that they are barely distinguishable. To reduce transmission time,

the data read by the scanner is compressed. Each scanning line is divided into about 1,700 different spaces, and a signal is transmitted only if a space dif-fers from the one immediately before it. This reduces the num-ber of signals that need to be sent by a factor of up to 15, and the transmission time to less than one minute for a typical

One of the-major advantages of this type of machine is that it is technically compatible with the new digital telecommunications networks now being introduced worldwide. Since teletex text terminals will also use digital technology, it will be easy to send both text and images in the same pulse code. Indeed, as far as the transmission equipment is concerned, there will be no distinction between the two types of information.

In Western Europe, at least, the economics of using teletex will be determined largely by the rates set by the national PTTS. But if indications by the German Post Office, one of the strongest supporters of the proposed teletex standard, are anything to go by, they could be attractive. It estimated that teletex should be a reasonable communic alternative for several economic alternative for anyone sending more than six letters

through the mail every day. In the U.S., of course, con ditions are different But the growth of electronic mail systems seems likely to be stimulated by the recent decision of the Federal Communications Commission to relax the regulation of data communications

In the past, companies wishing to offer data communications services have had to obtain prior approval from the FCC and secure its authorisation for their rates. In addition, American Telephone and Tele-graph, which holds a virtual monopoly over the U.S. telephone system, has been barred from the data communications market. The commission pro-poses to scrap all these restric-tions.

Unscathed -

The commission's decision is due to take effect in two years' time, but it may well be chal-lenged before then in court. But if it emerges unscathed, it will almost certainly lead to much increased competition in the field of text transmission services as well as of the communicomputers.

munications facilities will mean, of course, that in future it will be possible to integrate all types of information — the spoken word, data, printed words and images — into the same form. It will become possible to carry them all as binary digits in "packets." each of which will be addressed to a destination and will embody a code enabling them to be unscrambled when they arrive.

It is therefore possible to imagine two people at remote locations sending each other messages made up of text and diagrams, accompanied by spoken commentaries. The information "packets" could even comtain television transmissions, so that the recipient could see his correspondent as

Futuristic as this possibility may sound, it is being worked on by a number of companies. Nexos, a subsidiary of the National Enterprise Board, is developing an advanced office information system along these lines; while Satellite Business Systems a joing subsidiary of lines; while Satellite Busipess Systems, a joint subsidiary of IBM, Comsat and Aetna Casualty, is planning a satellite-borne transmission service which would enable executives sitting thousands of miles apart to participate in audio-visual "tele-conferences."

Such systems will be relatively expensive. of course, and offer facilities which not every business will need. But they illustrate vividly the ultimate potential of the revolution in communications of which electronic mail is one part tronic mail is one part.

Guy de Jonquieres

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breaks. But its policy is to to justify the largest system.

allow employees to take as The department said during many breaks as they feel necest he trials that consistent pro-

Viewdata systems could form worldwide network information retrieval system. It television set is turned on the allows the ordinary domestic electronic decoder automatictelevision set to be connected ally dials the telephone number directly to a computer via the of the local Prestel computer, telephone network. At' the which stores the pages of intouch of a button on a small formation to be displayed on the keypad, the subscriber can gain screen. Once the call has been access to an almost unlimited successfully completed, the comamount of information. He can puter acknowledges this by proselect one page among hundreds viding the list of topics-called

menu—it has available. Since Prestel is a two-way system, it can be used to send messages between subscribers. It is possible that viewdata ment guides, and education. The ability to control the informasystems could form the basis of a worldwide message-switching network. In fact, all the set is transformed into a com-puter terminal of an interactive elements required for such a system exist: a terminal in the home to receive and prepare messages, a telephone to trans-mit them and a computer which can act as an electronic serting One of the important features office, forwarding them to their of Prestel, or any so-called view-destination

throughtout the world. However, in the case of Prestel, it within the reach of many more. The international telex network already allows businesses to send written messages. Perstel could offer companies a more sophisticated service

which could also be linked into

the felex network. the felex network.

The computer could store the Instead of the small calculator-style keyboard used for simple messages and instructions on a domestic Prestel receiver, it could be replaced by a full electronic typewriter by thought The subscriber could keyboard. The subscriber could use this keyboard to draft and correct messages. On comple-tion, it could be transmitted at the touch of a button accom-panied by identification of the

PRESTELL, developed by the data system, is that it is easy In fact, this si no more than message until the intended ments through Prestel, effections of the 1970s, is an it use. When a Prestel-equipped already takes place in many recipient's terminal was next tively turning it into a word-information retrieval system. It television set is turned on the private computer systems switched on. A signal would be processing system. sent by the computer for display on the receiving terminal to can extend the range to bring it inform the addesses that a letter was waiting.

message would be The released from the computer only after a suitable code has been typed in. Once a message is passed on, it would be erased from the computer's memory and the sender would be charged for the call.

The possibilities of Prestel, and its rival systems in France and Canada, are endless. For example, it is already possible for a subscriber to connect a small printer to his television set so that anything appearing on the screen can be recorded on paper for future reference. This means that businesses and individuals could use it to send formal letters and docu-

Leader

Prestel, the British system, is considered to be the world leader in viewdata systems. Trial systems have been operating in the UK for some time and more than 2,000 television sets equipped with Prestel are in use. In addition, more than 150 companies and public 150 companies and public organisations provide information for display on the network.

Through Aregon, a National Enterprise Board subsidiary formerly known as Insac Viewdata, Prestel has been marketed successfully in such countries as West Germany, the U.S., and the Netherlands. All are running trial systems. It is already possible to link together these system so that an international Word-processing or message

will find international markets

for its system. France, with its emphasis on telecommunicatons, intends to promote its system initially in the home market so that nearly everyone in the country will be able to use a Viewdata systems not only

provide written information but all kinds of graphs and pictures organisations could work in the can be built up on the screen, which extends its usefulness even further.

If the connection of printers

to Prestel become standard, it will be possible to transmit bills, bank statements and other paperwork which now congest so much of the postal service. Such documents, which are usually prepared by computer, could be sent directly from the

or electricity authority to the lent, has started a series of six trials throughout the country tion. A further development this year and also hopes that it could be to allow bills to be paid directly through the network by transmitting a special code from the home receiver to the subscriber's bank computer.

On receipt of the code, the bank's computer would transfer the relevant amount from the consumer's account to the billorganisation's. Business ween two commercial same way.

Initially, Prestel and other systems will be used for the distribution of information.
Once established the services already described could come into effect. Since the impact of Prestel is forecast to be in the worlds of business and commerce before extending to the home, it is likely to help bring about the day of the electronic

decoders hope to have mass pro-duction of receivers under way this year and have been forecasting a market of about 50,000 receivers this year in the UK.

The companies which provide information for the system were disappointed that receivers were not available in quantity last year because they had already built up a substantial information bank which so far can be used by only a relatively

small number or users. It is difficult to assess how long it will take for viewdata systems to become established in the UK and throughout the world. Some people believe that it will take no more than five years; others that it will be commonplace by the end of the

Elaine Williams



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A display not to be missed.

This IBM 6670 information distributor prints with a laser and receives and transmits documents electronically over ordinary telephone lines. It can also be used as a high-quality copier

Benefits depend on careful planning

processors claim that typists' arbitray rules.

not sufficient to justify the cost output can be increased A pilot scheme carried out of the equipment on the general output can be increased A pilot scheme carried out dramatically, and emphasise the office revolution which can Department of Education and

environments, and cost alone is tions which arise in office work. not always a justification. The The study was carried out carry cost of secretaries and typists over a 12 month period and work is important, but salaries vary compared word processors with using across the country and this has

If economics are favourable, of their task." the company or department has to consider what changes must be made to office routine to enable improvements to be cult to master, and many made. Staff have to be trained; thought training should last working conditions have to be longer than the permitted considered; and changes in three months. Some reported

processing encourages the com-pany to keep staff involved and informed and to seek their read from the screen.

Co-operation. The guide warns:

"Keeping staff in the dark will that one of its staff with poor that one of generate insecurity leading to a eyesight found no problems lack of interest or, in extreme cases, a lack of staff."

word processing. It carried out ing. The main conclusion was a detailed study of the organisa that the overall performance tion and assessed how jobs depends on what type of work would be affected. In addition is carried out, and on the people it ensured that the new skills using the system.

ICI chose a shared logic as whole letters and para-system which revolves around graphs. But on general corre-central control and storage, spondence, mainly letters and which the manager in charge minutes prepared from shortof secretarial services believes hand notes or handwritten is the first step to full office drafts, its report showed no automation. Job satisfaction clear advantage over electric and good rewards were import typewriters, although audio typant, so the office has been ing did lend itself more to organised into social units and word processing. the working environment was

Some studies have suggested

But there are many types of word processors and systems, general range of letters, per cent, depending on workingt as there are many office reports, minutes and tabulamix.

environments, and cost alone is tions which arise in office work. The department decided to

electric and automated typeto be weighed against the actual writers, which are already cost of the system. extensively used in offices.

Benefits such as higher among typists involved in the project the DES noted "a tivity can only be gained if the general but not universal office planning to introduce enthusiasm for the equipment, word processing is well organised in the first place, said another company which recently made the transition.

The efficiency and greater product the project the DES noted "a general but not universal enthusiasm for the equipment, an appreciation of the quality of the output and a widely held belief that operation of the equipment provides enrichment of their task."

Eye strain

Some found the system difficareers structure may be neces- that they felt tired while they One guide to successful word others reported eye were learning the system, others reported eye strain. On typist who wore bifocal spectacles found it difficult to

> ICI, on the other hand, noted using a display screen

The Darlington project was ICF's plastics division has less clear on the general cost spent two years introducing effectiveness of word process

required were given adequate The department reported rewards and that jobs were productivity gains of more graded to fit the overall careers than 100 per cent in the prestructure for secretarial staff. paration of standard texts such

The project also compared the central system with so-called "stand alone" word processors that the display units of word Economies of scale are the main processors can cause eyestrain, incentive for buying a central although there has been very system, the DES felt. But over-little hard medical evidence to all productivity increases of 60 back up the theory. per cent in London and 80 per can work all day without extra cent in the provinces are needed per cent in London and 80 per

not sufficient to justify the cost Department of Education and Overall productivity gains in the Science also used a shared logic last six months of the project

> carry out further evaluation using selected operators.

> The Darlington experiment underlined the importance of the right staff and the right environment. The DES pointed out that the installation of a central word processing system in a typing pool is an extremely complex task, needing close management supervision and attention to operating the com-plete system. This was similar the commercial experience of ICL

Manufacturers are looking forward to a massive market in office automation equipment, but users have to be much more cautious in choosing the right system, and sure that they have an organisation which can cope with the change. Otherwise they risk compounding the problems they already have, alienating staff and lowering morale, without gaining all the

Elaine Williams

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With today's problems looming large in your mind it is all too easy to give insufficient thought to your likely

Manufacturers plan marketing of the paperless office

from its present dominant position in the world of business—is behind the rapid development of office automation systems.

Mail will be delivered electronically between offices, all files and information will be staored in a computer memory to be retrieved at the touch of

Manufacturers have realised hat for office automation to be introduced effectively three separate industries have to telecommunications, They call it convergence, with each industry providing its particular expertise to form a

its dominance of the world com- medium-sized business sec a putton; orders and reports
will be prepared through a
central system using a computer
which also will oversee all
forms of communication within
and between offices.
Manufacturers because of the computer of the communication of the communication within and between offices. used by both small and large COLICETES,

The company has also been moving into the communica-tions field with its involvement in Satellite Business Systems in partnership with Comsat General and Aetna Life and Casualty Companies will be able to transmit computer data between their offices via a satellite owned by SBS using small aerials perched on top of

However, since conventional memoranda and reports will be stored in a computer's memory, it is likely that the companies will be able to use the com-munications system for all forms of information transfer rather than strictly computer There are still many questions to be answered about the highly paper-oriented blue what types of information the chip companies because they U.S. authorities will allow SBS to transmit but the future opens

tronic office—vanquishing paper ful in word processing know mer base to introduce office in the strict sense. that they must attack the new systems. ICL is in the unusual market which is opening up position of having a large marfrom a position of strength ket share of large, or mainmarket which is opening up position of having a large mar-from a position of strength ket share of large, or main-built upon their existing exper-frame, computers in Britain. tise i none of the converging But a few years ago it acquired Already it is clear that this the Singer Corporation of the has become the strategy of most U.S., which has allowed it to major manufacturers. IBM with expand into the small and Also minicomputers form the hub of many integrated office systems which gives ICL the opportunity of providing

major component of the total system. Approaches from the tele-communications industry side have come from companies such as Plessey and the General Electric Company in Britain, Philips in the Netherlands and Siemens in

Plessey's strategy is built around the PDX digital exchange, which it is making under licence from the U.S. Rolm Corporation. Digital exchanges rely very much on com-puter technology—in fact they are able to treat speech and data such as telex, facsimile and word processing data in the same way. Every

thing is in digital form.

Plessey is using its exchange to integrate office communications. Mr. Des Pitcher, manag-ing director of Plessey Telecommunications and Office Systems has declared the intenare the only companies capable of making the massive investment required and Plessey's

its companies in the UK to-bring together its activities in word processing. Four come an entry into the market or try-panies were involved: Philips ing to enlarge their market Data Systems which makes computer and terminals including one for Viewdata; Pye TMC which manufactures telephone exchanges; Pye Business exchanges: Pye Business Systems and Philips Business

Also IBM has another involvement in telecommunicacontrolled private automatic branching exchange, the IBM 3750. And it has been having considerable success in market-

GEC in the UK, also intends to acquire the complete ele-ments required to offer wordprocessing facilities. It took over A. B. Dick, a U.S. company, which makes a range of wordprocessing typewriters. already has computing expertise but needs to add the telecom-

munications element. So important is the whole industry that even companies such as oil giant Exxon, through its subsidiary Vydec is seriously participating. Rank Xerox is another organisation which offers word processors.

In addition to the large companies investing in word pro-cessing, the emergence of a new market has allowed a significant number of new small ventures to attack the market. With the cheapness of micro-processors, needed for any word processor, small companies can develop their own products to compete with the giants.

up many possibilities, ment required and Plessey's with the giants.

Other computer companies, exchange is only for large The word processing market such as Burroughs, Wang and customers. At the moment is expected to be large, but it is

Philips, at the beginning of is possible that the more suctive year reorganised several of cessful small companies will be large companies either seeking

shares. Other companies will simply not be able to compete becaus they will not have the marketing resources or the ability to keep developing their products

SCJ.six The National Boards also set up Nexos to co-ordinate individual companies systems which can be marketed abroad as well as in the UK. It formed agreements with con software company to provide programming expertise. It also has considerable experience in telecommunications.

Agreement followed with a U.S. company to provide word processors and computers processors and computers followed by another venture with Muirhead in the UK, a major manufacturer of facsimile

systems. By no means have all com panies decided to build up quickly to provide complete office systems. There are few companies which will want to buy complete systems at one go, many want to gradually change the way they run their offices.

Convergence will also take several years and companies which are in only one of the three industries can happily concentrate on one particular sector such as typewriters, word sors, or facsimile for some time to come.

Marlene Brown



Advanced machines include this Rank Xerox 9400 model which can make double-sided copies at the rate of 7,200 an hour

Copiers more sophisticated

ONE VISION of the office of the future holds that the application of micro-electronics to office equipment and the grow-office ing convergence between the technologies of computers and telecommunications will mean that tomorrow's executive will work in an environment that is largely or wholly paper-free.

The development of cheap, high-density computer memo-ries will, it is argued, supplant paper as the prime medium for file storage. Moreover, it is asked, why should any execu-tive clutter his desk with any but the most important documents when text and graphics can be easily displayed and edited on a video display unit capable of such refinements as reproducing multi-coloured bar

This view, if true, would seem developments in office automa-

with paper-based information and communications,

But quite apart from the likelihood that the office in its present form will be around for some years to come and will provide a sizeable market for conventional copiers and facsimile machines, the prognosis of the total demise of paper misses an important point.

Distinction

This is the distinction between reducing the amount of paper circulating within a given office or work area and cutting down the amount of information that is actually transmitted on paper. It seems probable that the new

certain when a satisfactory solu-

tion to the former will be found.

That, at least, is the analysis
of a growing number of copier manufacturers, who believe that they will secure an important foothold in the electronic office of tomorrow through a development known as the in-telligent copier printer. Over the past 12 months, ICPs, as they are known, have emerged on the market from Wang, IBM and Xerox, and no doubt other companies will follow.

Like many of the latest conventional copiers, ICPs use micro-processors to replace a number of electro-mechanical

special about them is that in addition to performing manual copying, they can also receive images by line,

This means that ICPs will reproduce in printed form information fed into them in electronic form from computers. telecommunications networks or word-processors. Such infor-mation need never have existed previously on paper; it can be reproduced directly from data stored in a computer memory.

ICPs use a high-speed light source, such as a laser, toscan and interpret the electronic in-

CONTINUED ON NEXT PAGE

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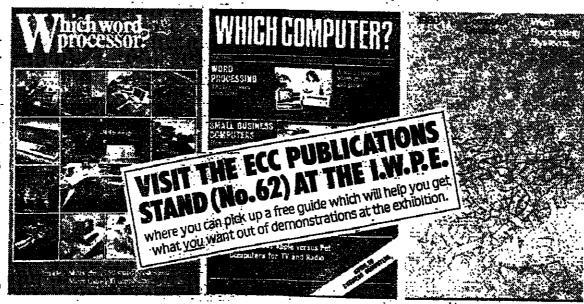
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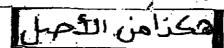
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WORD PROCESSING V



New, improved systems are constantly being introduced to the market. This Wang VS interactive processor has up to 2 megabytes of main memory and can do processing in seven different computer languages

Choice of equipment depends on its use

300 suppliers of word processors be retyped.
in the UK alone. They can cost In fact, typed information less than £2,000 or hundreds of can be corrected and redrafted thousands of pounds. The choice of a particular design depends on the size of the company wishing to use such systems. Also, users have to decide whether word processing is to be introduced gradually or the running of office services is to be suddenly transformed.

Mariene Box

small and large companies offering word processors, some of which are unlikely to survive over the next few years when competition becomes more Addo and Oyx and cost between the configuration of the configuration and have the resources to main more like a computer terminal

he chooses tonay

future requirements. In the simplest form, a processor is little more than sophisticated electric type writers; at its most complex it is part of a computer-controlled automated office system.

However, a company's choice can be narrowed to three basic product categories: electronic typewriters; individual word processors and word processor networks commonly called shared logic systems. The electronic typewriters are

usually a direct replacement for conventional electric type-writers in addition to the usual facilities such as centering and justification provided by normal typewriters, the electronic version has a small semi-conductor memory which can store letters and lists of addresses. This means that a secretary or typist can produce personalised versions of standard letters and additions, and corrections do for specific types of work: For

several times before it appears

Many of the traditional office equipment makers are in this end of the market because they believe that once companies have discovedm the benefits to f office services is to be be gained by fairly simple pro-uddenly transformed. ducts they will graduate to the In addition, there are both more sophisticated and expensive models. These electronic typewriters are made by such companies as IBM, Olympia, Triumph Adler, Daro, Facit. Addo and Oyx and cost between

The rue word processor looks

tain their marketing efforts are than a typewriter and few are. available below £4,000. Some cost up to £17,000 depending on cessing user, the main problems the facilities offered. In fact it are deciding on his present draws upon the expertise built processor -- which is word processor—which described as a "stand alone unit... This simply means that within the single piece of equipis everything be typist

> Such products are offered by Philips, IBM, AES Wordplex. Olivetti, Burroughs, Rank Xerox, Vydec and Digital Equip-ment to name just a few. These word processors allow the typist to store complete reports and memos, edit them; change the way they are laid out on the page, and then print as many copies as are required at the touch of a button.

needs to carry out her job:

The typist carries out her at a television work seated so that she can see the finished layout before the final

copy is printed. What makes makes different are the special programmes which can be written

example. Ventek markets a asystem in the UK called the NBI 3000 has been designed for financial and scientific work.

Data Recall also offers customers the opportunity to buy special programs which range from insurance broking to information retrieval and

Simultaneous

Most of the so-called "sand systems are also designed to work in conjunc-tion with other similar tion with other similar machines which is really basic to the philosophy of the totally electronic office. Instead of printing out reports and send-ing them through the postal system, a company having more than one word processor can

A the touch of a button copies transmitted to several word prothough they may be a few miles or even hundreds of miles apart. Such word processers are understandably called communicating word processors.

If the document has to be

sent to another office, it can be stored in electronic form until it needs to be printed out on paper. These word processors can form the basis of an interelectronic mail- service which is cheaper and quicker than the post. Companies such as Raytheon, Vydec and DEC all have systems which can be have systems which can be used independently or act as part of a network.

Individual word processors do allow companies to build up to a complete network. However, it has been many organisations' experience that such growth has to be carefully planned. Otherwise the system simply grows and grows and becomes unwieldy.

If a company is to introduce

around the building which have system may even be integrated with other office functions such as central dictating and file

then have to decide whether they can adapt their existing computer, usually employed for account purposes, or whether they have to buy

completely integrated system. Computer software companies and computer manufacturers which can adapt the everyday business computer to give addihowever, that the word process ing function is part of a comof the same document can be plete system where the supplier installation and training.

At this end of the market, several major manufacturers are competing. For example Wang's new generation of com-puters, called Office Information Systems, are designs to carry out word processing and general information processing. Such a system could cost up to £500,000 in its most complicated form. One of the latest systems on

the market from Prime Computer combines word processing electronic mail, and a number of other facilities which are in tended for managers as well as secretaries in large companies are government departments. A typical system including 20 work stations used by secretarial staff and five management terminals would cost about £223,000. AM Jacquard, ICL and Monotype Communications are other suppliers of complete

Marlene Brown

Copiers

CONTINUED FROM PREVIOUS PAGE

iects its interpreted message or to a photo-conductor to produce a latent, static image. The "ons and offs" of the light source create dots on the photo-conductor, which are then built up into characters and printed. The "resolution factor —the number of dots per square inche—is a major, but not the only determinant of the quality of the finished product. This development, clearly, brings the role of the conier several steps closer to that of the facsimile machine, which traditionally has been the main tool for the transmission of documents over long distance on line.

Feasible Use of a technique called data

compression has made it possible to reduce greatly the transmission time required by digital facsimile machines. They can send a standard page in as little as 30 seconds—compred with up to six minutes taken by analogue machines—and even higher speeds may become feasible soon.

Other developments on which facsimile manufacturers are working include multi-colour transmission, the addition of local electronic memory, facilities to perform copying and the possibility of linking facsimile machines up to word proces

These trends suggest that the facsimile machine, in its turn, is moving closer to the copier. seems probable that within a few years, technology will have removed so many barriers between copiers, and facsimile tht they will effectively merge into a new type of multifunctional machine.



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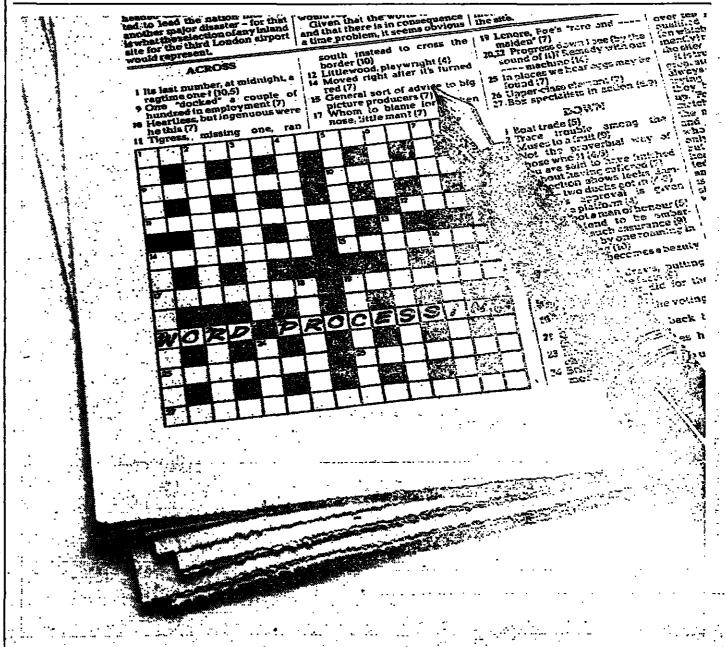
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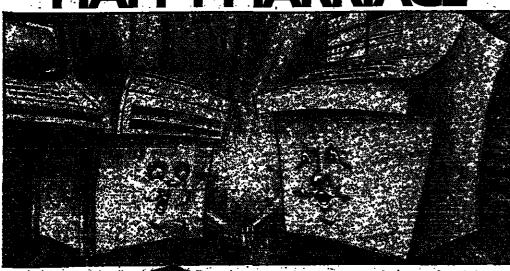
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these will be converted by Lexi-

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form. This can then be fed into

the Context page reader for

transfer to the word processor

Both methods make light work of what may, at first, appear a daunting task, says

appear a mainting task, says
Lexistan, and provide potential
users of WP systems with an
indication of their economic
and operational benefits.

If the practice decides to post-

pone investment in its own word

pone investment in its own word processor, it may utilise the Lexiscan in-house facilities—obtaining a fast turnround because all new records can be swiftly processed through the OCRS trains (seeming processes).

OCR-8 typing/scanning system.

and final editing.

PLASTICS

New plant proposals

to set up factories for plastics but is simple to operate. of husiness this year.

As such the group claims to would be ready to consider plastics and services as particularly perfut to developing countries by view of the fact that Toshiba bandled machines in the 90/315 willims zero futilire rate on its tonnes bracket but is prepared oditiomeat.

locks tonnes with vented barrel of whatever type or source, models up to 1.250 lock tonnes. More from Burrowfield, Injection control equipment is Welwyn Garden City, Herts.

*FFERING a complete service designed for highest reliability parts production virtually any Various designs or robot are where, based principally on available, including some that Soshiba injection moulders but will extract the part from the Also on a series of pick and injection machine and detach place robots. Renwick-Skelsey sprue and runners. In fact, the expects to do at least him worth group is well aware of the general interest in robotics and

to accept full responsibility for all equipment after installation

Three jobs go to Finnegan

FIRST JOB in a "stream" contract for Peterborough Development Corporation is a . £3m project awarded to J. F. Finnegan to build 187 timberframe dwellings at Werrington, Peterborough. The company will eventually build 500 dwellings for the Corporation, and this contract includes the external works usually associated with a scheme of this size.

Under a contract valued at nearly £im from Kirklees Metropolitan Council, the company will also build 30 flats at Linthwaite, near Huddersfield.

Third contract just an-nounced is for the Corporation of Trinity House for the construction of a pilot station at Garrison Point, Sheerness, at a value of about £214,000.

Production capacity increased

BEST KNOWN and most widely used of the vinyi plastics is polyvinyl chloride — or PVC. It is widely used in its unplasticised form (rigid PVC) for pipework, ducts, etc., where high themical resistance is called for. In plasticised frm, it can be scen as sheeting, cable covering. douldings, and as a fabric for- flexible and rigid grades, clothing and furnishings. Screw design permits close clothing and furnishings.

Principal business of Vinatex lontrol of critical formulations, (which derived its name in 1947) from the link between vinyl and textiles in its early pro-duction of printed PVC sheet and coated fabrics) is PVC: but -it claims expertise as a specialist gompounder at Havant where it has just invested over £600,000 in a new

production capacity of rigid granulate and high output flexible grades by about 8,000 tonnes a year. This means, eventually, more

line which promises to increase

because the company is in the top three of UK manufacturers of suspension PVC and compound, and is also one of the

largest producers of plastisol. Compounding unit of this new line is a Thyssen 160mm twin screw extruder which is capable of running a wide variety of

such as bottle granulate as used in sygenic food packaging applications (squasses, edible cooking oils, etc.) and in non-food packaging - shampoos, detercosmetics. materials are used throughout

water goods, cladding, conduit, and also for garden products. Sophisticated instrumenta-tion, including process control monitoring devices, assist the operator in maintaining a consittent compond specification window frames, ships hulls — and quality, and it is designed even brcycle wheels — all made for high production rates with from the uniquitous plastic, outputs varying, according to

the formulation, from 1.5 to 3

With the inclusion of special design features to minimise plant down-time on grade change over, this line is expected to produce at the outset up to 10,000 tonnes a year, thus increasing the company's total compounding capacity by about 25 per cent.

Because accurate weighing is crucial in the compounding of complex formulations incorporating many ingredients, the line is also equipped with the latest fully automatic raw material weighing equipment. This operates with an accuracy the building industry in rain- of plus or minus 0.3 per cent. The company says that a con-

siderable amount of the basic design and engineering work has been carried out in-house by its own production and engineering departments. More from Vinatex, New Havant, Hampshire

DEBORAH PICKERING

INSTRUMENTS

Stronger hold on the market

Midland Bank and ICFC undertook a salvage operation last pictures of the same thing side such as histograms on a 40 year, Cambridge Instruments by side but at different magnifications can be obtained, for There are to date about 750 number of new products follow-example. Also available are machines for image analysis in ing the financially difficult 1975-

Its strongest activity will probably remain scanning-electron microspy, an area in which the company has been the leadinginnovator for nearly 20 years.

The latest model is called Stereoscan 250 and it has an entirely new electron optics column called Optibeam, the main feature of which is automatically controlled condenser lenses giving optimum resolu-tion and minimum image noise. A final aperture of continuously variable size is provided by means of which the finest possible resolution (60 angstroms is guaranteed) can be achieved under any specific set of operating parameters.

The time consuming pro- data handling is carried out by cedure of selecting final aper- an on-board microprocessor. tures is done away with and The instrument, which allows 3QH (0223 42021).

video chanel controlf full aplhanumeric displays, an automatic camera with high resolution recording system, automatic brightness control and a 10-inch

screen with TV display. At present, the company has 1,700 of the world-wide installed base of 5,000 scanning electron microscopes. Interestingly, the model 250 has been cost reduced but increased in price-it is stated by the company to be the highest priced machine avail-able: profitability is now the key

Automatic operation is the keynote of the new introduc-ductions; another major new product is the Quantimet 800 image analyser in which all the sequencing of operations and

NOW A PRIVATE company the user is able to range simultaneously and automatically images to be counted, measured from optimum resolution to optimum depth of field.

Other facilities include onlit Other facilities include split board controlled, has a large screen imaging in which two screen and produces output

selected area diffraction, con- the field and Cambridge believes tinuously variable EHT, dual that with the new unit it will be able to maintain its 50 per cent share of the installed base.

Another new product, of interest mainly to advanced integrated circuit manufac-turers is a new electron beam fabricator which is said to be capable of making lines only 0.04 microns wide. The machine is already being used by an unnamed U.S. circuit maker in the investigation of

a 256k random access memory, processing memory. In the medical field the company is introducing new electro-cardiograph and ECG equip-ment and in the materials erea new systems for the production of advanced semiconductors such as gallium arsenide, likely to figure strongly in the next

generation of devices. More from the company Rustat Road, Cambridge CB1

Will measure glacier depth

based upon radar technique has ice. Resolution of ice thickness been developed by Sensonics of Chesham and is to be commer-Chesham and is to be commer-cially tested this summer for intelligent real-time display. measuring the depth of glaciers mapping and interpretation of in the Himalayas, as part of a signals and has both hard copy

project. Precise technical details are not being released by the company for the time being, but Cold Ocean Resources Engineeressentially the equipment is a ing in Newfoundland where it downward looking radar flown is hoped to test an airborne in an aircraft and is described system the object of which will

signal processing." The unit lations. fires broadside output pulses at the ground and uses a digital integrating receiver of high

UNUSUAL geological of very small reflections from thickness measuring instrument interfaces between, say, rock and is said to be one metre.

The system is microcomputer Geographical Society and magnetic cartridge record-

Sensonics says that it is in close touch with the Centre for as "using advanced techniques be aid navigation and identify of transmission and digital hazards to fixed off-shore instal-

Both airborne and groundbased applications are expected and development is continuing sensitivity to detect the return into the use of the system for

site surveying and other suband earth. More from the company at Chartridge, Chesham, Bucks. HP5 2SH (02405 74251).

COMPONENTS Fast joins for pipes

NEW polyethylene pipe fittings from LCA Pipelines of Leeds will simplify the assembly of pressurised polyethylene pipe systems above and below

Rollmaplast range fittings are or Swiss manufacture, and sucessfully used in several European countries.

Two fittings from the range, the straight connector and the tapping saddle, contain integral ranging from building and conheating elements and a joint is struction to engineering, made by plugging two leads insurance and finance, who wish made by plugging two leads insurance and finance, who from the Rollmaplast automatic to use such an approach. welding unit into sockets on the fitting. Pressing a button on the unit, which contains a step down all their own invoicing, prepartransformer, completes the joint ing and amending documents within three mintes. The unit on a visual display screen, pro-also checks that process has ducing credit notes, preparing been carried out correctly to other data and automatically ensure complete integrity of the printing reports. joint. Power can be supplied from the mains or a site generator.

Also in the range are tees, elbows, reducers, caps, adaptors and union ends. These can be welded to pipes using the connectors or directly with butt fusion welding. Depending on the size of the connected heating elements, up to three weld joints can be made simul-taneously. The fittings are compatible with rigid PE, PE50, HDPE, and MDPE pipe in 10 sizes from 32mm to 20mm outside diameter, and with water pressures up to 10 bar at 20 degrees C. Pressure capacities for chemical applications are evaluated individually.

low cost installations; it mini-mises human error particularly where access is difficult, and the tooling is more portable than that required for butt fusion welding.

The system ensures quick and

LCA Pipelines, Whitehall Estate, Whitehall Road, Leads LS1? . . . 0532 634200.

PACKAGING Quietens the bottling line

SYSTED DESIGNED to reduce noise levels created by bottle to bottle contact along highspeed conveyor tracks has been introduced to Harveys of Bristol by Tantalic Engineering, 155, Crayford Road, Crayford, Kent (Crayford 56114).

This is made up of 820 mm long modules each of which is lined with a high grade, non-porous noise absorber which is tough, yet flexible, and able to withstand stringent daily steam cleaning at the plant which bottles enough sherry to meet one-fifth of the world's markets.

Each of the hygienic crevice-free modules in the Hushveyor system is made from mirror finish stainless steel, and is individually supported. This permits any section of the con-veyor to be independently lifted when tack inspection is neces-

Sherry bottles can be observed if required, by opening the clear horizontally-hinged acrylic doors which are fitted to both sides of the unit. These doors are secured in a closed position by magnets and, when opened, are supported by the roof, giving the line operator unhindered access to the bottle track along the full length of the conveyor.

At Harvey's request, the conveyor unit was completely enclosed from the bottle filling point to the labelling machine, combined acoustic/safety guards (made from polycar-bonate sheeting secured within a stainless steel housing) were

• COMPUTING

A powerful conversion

MANY, professional practices handling large volumes of paper-work, such as solicitors, accountants and quantity surveyors, are attracted to the idea of investment in word processing systems but deterred by the task of "converting" a vast

amount of existing records. A new media conversion bureau service established in London provides the answer to this problem. Operated by Lexiscan, the bureau service will handle records kept in any typed or printed hard copy form, or on magnetic cards, and convert these into data suitable for storage directly in word

The centreplece of these conoperations version Burroughs "Context 1210" OCR page reader maintained by Lexiscan. Existing texts, type-written or printed in any fount. are swiftly re-typed in OCR-B fount by Lexiscan's 20-strong team. The resulting pages can then be read at high-speed (up to 200 pages an hour) by the Context machine directly on to the disc of Lexiscan's in-house word processor for editing and subsequent transfer to any desired storage medium. desired storage medium.

Iternatively, of records are already held on magnetic cards.

Operator kcyboard.

Lexiscan, 27 Newbury Street, London ECIA 7HU, 01-606 1654.

Once a professional practice has acquired its own word processor, it can purchase or lease a Context OCR reader to by-pass the input bottlenecks caused by information queueing at the

Changes made with ease

daily invoicing and enable to help business, them to "tap" a range of other accounting and management information services.

formation services.

CMG Computer Management
Group, an "intelligent" terminal computer which will
enable businesses to expand, as
they require, their use of computer techniques at low cost, linking into CMG's own com-

puter network.

Called INFACT, the system is based on Ventek Datapoint 1500 Series minicomputers. It is being introduced after research into user needs and in detailed talks with a number of

INFACT will allow users, on their own terminals, to handle

SMALL TO medium-sized CMG sees the small to businesses considering using medium business sector and all computers for the first time first-time users as a vital area should first look at a minicomin it plans to provide a problem-puter system which will handle free use of computer systems in it plans to provide a problem-

> The computer system using INFACT can handle a com-bination of 500 products and 1,000 customers on file (including details, prices, discounts, account references and addresses) and these numbers can be increased by the simple addition of extra disc storage. However, it is the low cost of using additional facilities that provides real benefit. As each invoice is produced, details are automatically stored on magnetic disc in a way which is compatible with all CMG's accounting and management information computer systems. It is access to these, over the telephone line, which gives the benefit to first-time computer users in not having to worry about expertise, development costs, backup equipment, etc. The service provides problemfree use of computers.

CMG. Sunley House, Bedford Park, Croydon, Surrey CRO 2AP 01-681 7631.

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1) ROLLING MILLS 12in x 30in x 35in wide x 400 hp Four High Reversing Mill. 5in x 12in x 10in wide variable speed Four High Mil 3.5in x 8in x 9in wide variable speed Four High Mill. 10in x 16in wide fixed speed Two High Mill 10in x 16in wide fixed speed Two High Mill. 6in x 12in wide fixed speed Two High Mill. 6in x 16in x 20in wide Four High Mill. 150 x 100 mm x 15 hp Two High Tape Rolling Mill. 110 x 100 mm x 10 hp Two High Tape Rolling Mill.

2) WIRE FLATTENING AND NARROW STRIP ROLLING MILL Two stand by RWF. 10in x 8in rolls.

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36in and 48in Sheet Slitters. 5) WIRE DRAWING MACHINES. 6 Block, in line, variable speed (560 mm × 25 hp D.C.). 9 Block, non slip cumulative (610 mm × 25 hp A.C.). 8 block, non slip cumulative (560 mm × 25 hp A.C.). 6 Block, non slip cumulative 356 mm x 75 hp A.C.) Horizontal Drawblock variable speed (915 mm x 75 hp D.C.). Horizontal Drawblock variable speed (456 mm x 15 hp D.C.). Vertical Drawblock (2) variable speed (610 mm x 25 hp D.C.). 15 Die Cone type and Spooler. 4500 ft/min (2 machines). 9 Die cone type and finishing block, 750 ft/min.

6) SHEARS AND GUILLOTINES. 122 mm x 25 mm Cincinatti Plate Shear.
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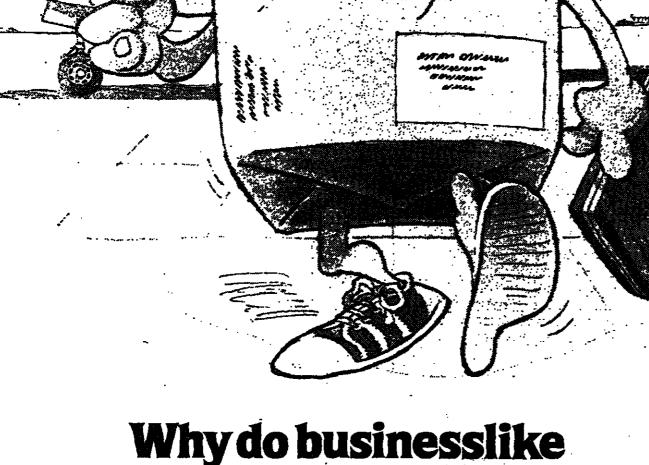
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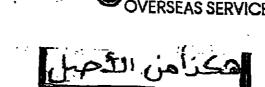
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THE MANAGEMENT PAGE

Kenneth Gooding examines the expansionist policy of ZF, a major German components manufacturer

How the legacy of Count Zeppelin is gearing up for the 'world car'

Count Zeppelin supervised the construction of his airships at Friedrichshafen, on the German side of Lake Constance, was recently torn down. Going up on the site is a completely automated plant for making car and truck gearboxes.

Norgren 138 Instrument

iter-Regulator recially design

or the Process d Petrochenic Industries *

> When in 1915 Zeppelin set up Zahnradfabrik ("gear wheel maker" in English), because he needed better gears for his "Zeppelins," the Count could have had no idea how the

When the manufacture of air .. ships was suspended after the First World War, Zahnradfabrik him after disaster overtook his Friedrichshafen (or ZF, as it airship venture. He was so is generally known) turned to grateful that he left most of his making gearboxes and steering assets to them. The Foundation gears for the embrionic motor uses its income for the benefit industry.

The new plant at Friedrich munity, providing hospitals, shafen represents just part of play areas, parks and so on. a DM 1.5bn (£364m) investment The rest of ZF's equity is programme for the next three owned by the surviving vears, during which time ZF members of the Count's family, will join the select band of internationally - operating companies supplying components for the new breed of "world"

"world" cars and suit those emarkets. But they marketing. will use a few common components made on a vast scale ZF management have a common in a small number of strategic-

few big companies will be able reinvest more and make the to join in this particular game. ZF meets this criterion. Not otherwise be." only has it increased turnover in real terms by 10 per cent a list is gearbox construction, year for each of the past ten years, so that it reached DM half of sales. Steering gears 2.3bn in 1979, but its unusual constitute just under a quarter status as a subsidiary of a and the rest is divided between charitable trust enables it to axles and axle drives, pumps, pay relatively low dividends, rotors, differentials and electroand reinvest the extra in the magnetic clutches.

U.S. and the rest of Europe. cent of ZF, has the evocative growth of only one to two per title of - The Zeppelin cent for the motor industries Foundation." It was another of Europe and the U.S.



legacy from Count Zeppelin. The people of Friedrichshafen had put up the cash to refinance

The rest of ZF's equity is about 28 of them.

ZF pays a regular 16 per cent dividend — totalling DM 9.6m (£2.3m). "The Foundation is cars and trucks to be produced very modest in the dividend demands it makes when you These "world" cars and compare what we pay with what trucks will be assembled in others do." says Dr. Ernst many different markets and Braun, the member of the take many different shapes to executive board responsible for

"Both the foundation and the task-safeguarding the jobs and the conditions of the workforce. The financial muscle required Because of the modest demands means that only a relatively made by the Foundation, we can company safer than it would

At the top of ZF's production which accounts for more than

company's future. This gives . The group will continue to it a distinct advantage over its grow at 10 per cent a year, powerful rivals in Japan, the according to Dr. Braun. This is a daring claim to make against The trust, which owns 89 per the background of an expected

the independent component petitive." makers being strengthened by the very pressures which have the car and truck assembly groups in a vicious squeeze. Dr. Braun explains: "The potential for growth in the motor industrialised Europe and the U.S. is limited, because the developing countries are setting up industries of their own, which cuts demand for exports and increases competition It will also exacerbate the current

over-capacity in Europe and the "At the same time the cost of reseach and development in the auto industry is rising faster than in the past because of energy and environment requirements - and because of

competition.
"On top of this the auto industry needs to put more into its world-wide sales and after-sales operations, and that costs a great deal of money."

(In this context International Harvester receptly estimated it. would have to spend \$165m to set in motion a reasonable dealer network in Europe, even though it can already count on the outlets of its affiliates, Daf in Holland, Seddon Atkinson in the UK and Enasa in Spain.)
Dr. Braun insists: "Competition in the auto industry is tougher, so manufacturers cannot put up prices to match in-

lower profitability. "So the industry is changing its philosophy as a result of this squeeze. The car and truck assemblers won't do for themselves what someone else can do

creasing costs and that means

"The industry needs to spread its risks and the risks are enormous. Forecasting is very difficult because a new style of international competition has just started. What happened in the past doesn't count

"ZF is in a part of the business where the risks are huge. Why should the truck makers bear that risk?

"ZF is investing DM 1hp in gearboxes and steering gears over three years. Who among the assemblers can afford to invest that kind of money on those types of product? It is obvious the future will favour the makers of specialised com-

Dr. Braun even has hopes most vertically-integrated in the world, going the same way. "The new, young managers might change the philosophy if

Business

courses

Production Management and Human Behaviour, Uxbridge, Middlesex. June 30-July 4. Fee: £360. Details from The Secretary, Management Programme Brunel University. Uxbridge, Middlesex UBS 3PH.

Managing Microprocessors, London June 26. Fee: £95 (plus VAT). Details from Seminar Administrator, Special Systems Sector, ICL Dataskil. Reading Bridge House, Reading RG1 8PN.

Employee Loyalty, London June 30. Fee: £90 (plus VAT). Details from Legal Studies and Services. Norwich Bouse, Norwich Street, London EC4A

Solving the Problems of Executive Stress — a practical approach, London. June 24. Fee: £98 (members) £112 (nonmembers). Details from Conference Administrator. Institute of Personnel Management, Central House, Upper Woburn Place, London WC1H 0HX.

Public Relations-increasing effectiveness and reducing costs, London, June 27, Fee: £75 (plus VAT). Details from Seminar Secretary, Institute of Marketing, Moor Hall, Cookham, Berkshire, SL6 9QH.

3rd International Conference Transactional Analysis. Cobham, Surrey. June 10-13. Fee: £360 (plus VAT). Details from Conference Administrator, Ron Clements Training Consultants, 29 Paxton Woodham Lane, Gardens Lane, Woking,

Surrey GU21 5TS. 1980 Briefing for the Company Secretary, London. June Fee: £90 (plus VAT) Details from European Study Conferences, Kirby House, 31 High Street East. Uppingham.

Rutland, LE15 9PY. Two-Week Personnel Management Course, Switzerland.
June 23-July 4. Details from
Management Centre Europe.
Avenue des Arts 4. B-1040 Brussels, Belgium.

ing Managers, St. Helens, Merseyside. June 30-July 2. Fee: £45. Details from Admini-Management Studies, The St. Helens College of Technology, St. Helens, Merseyside, WA10

in Information Retrieval, Cam-bridge. June 23-27. Fee: £110 members, £125 non-members of the British Computer Society and the Association for Computing Machinery. Details from External Relations Assistant. The British Computer Society. 13. Mansfield Street, London

Even though the future might favour the independent component suppliers it will not be possible to supply the world from a European base. "ZF from a European base. will have to be present in those countries where our customers and the major companies are And when it is eco- facture enough gearboxes to nomic to do so we will produce make that country nearly selfsufficient. there."

The company began to take the "world" car and truck trend seriously five years ago and the South Korea, countries with following year began to put its major motor industry growth own strategy into effect.

major motor industry growth ahead of them; and in Japan. The policy, in crude terms, is

for it to manufacture in those sales and service company. countries where it sees the possibility of getting a reasonable market share for its products and where volumes can reach economic proportions.

Where it cannot own a busiside Europe, the group prefers establish joint ventures. But licensees to manufacture its products where this seems the only reasonable way to get repre-sentation in a market. "The agreement, with Leyland trouble with licensees," admits Vehicles, which will make a new Dr. Braun, "is that they can ZF gearbox at its Albian plant move to someone else when the in Glasgow from 1983 onwards. agreement comes to an end."

relying on its six plants in point for closer co-operation Germany and one in Brazil- with Levland." where the European motor industry has been represented in force for many years.

starting up a second plant in Elsewhere in Latin little penetration. an existing gear systems pro- managing director, reckons "we

due on stream in 1981.

Next year a new factory in India will come into production (another country where the growth rate expected for trucks and buses is far higher than in Europe) and, again with a local in South Africa which will manu-

Licensing agreements have been concluded in Spain and ZF has set up its own

The group has long-standing licensing licensing agreements with Comecon countries such as Romania and Hungary and has some hopes for its current nego-tiations with the Soviet Union. ness outright, as often is the Like many others in the Eurocase in protected markets out- pean motor industry, it has sent emissaries to China.

There are also areas in has also been appointing Europe where there is the chance to move up from a low Dr. Braun says enigmatically Five years ago ZF was mainly that this was "just a starting

ZF has its own UK sales subsidiary based at Beeston near Nottingham, which is showing Pushing through the inter- the kind of growth the company national strategy has involved needs in those European countries where it has so far made America it moved into Argentina up from £2m in 1973 to £10m by buying a minority interest in last year and Dick Reast, the



Dr. Ernst Braun of ZF (left) and David Abell of Leyland Vehicles, recently signed a licensing agreer whereby Leyland will make ZF gearboxes in Scotland: "just a starting point," says Dr. Braun

have the potential to double that in the next three to four years." He expects the biggest growth to be in the supply of ZF power steering systems for both trucks

The U.S. provides a huge

market, so far hardly touched. As a start ZF has set up a sales and service organisation of its own based in Chicago. market will become increasingly important to it as the other European groups build up their interests there. Damler-Benz is building a truck assembly plant MAN, only last month announced that it was going ahead with a factory which would first make buses and later add truck manufacturing. ZF supplies MAN with every one Significantly. of the power gears it uses in its

The group is also sending products to companies in France and Germany owned by International Harvester, the biggest producer of heavy trucks in the U.S. "They know us now and we want to offer them products in the States."

So Dr. Braun has no doubts. Eventually ZF will set up a

manufacturing base in the U.S. hitherto basically organised many fronts has been enormous. For the past few years ZF's ing common in the motor induscapital investment has been 7 to 10 per cent of annual turn- having to react quickly over, and is increasing now. Research and development expenditure wil also rise to be- might affect the potential for tween 4 and 5 per cent of sales a particular product. against the previous 3 per cent.

Technological lead

"Europe must put much more into R&D to maintain its technological lead," insists Dr. Braun - a view shared by the European Commission which last month suggested that the European motor industry neededd to double R&D spending if it was to beat off the challenge of the Japanese and U.S. competition.

ZF has recently taken a careful look at its management relevant in view of the fastchanging circumstances. Its decision, a few weeks ago, was Management at the centre, markets."

The amount of investment re- along geographic lines, will now individual product lines, something that is becomtry now that companies are world-wide trends, and need to know what external factors

> ZF will set up regional companies in those countries where it has manufacturing interests -again it is a usual enough procedure, when there is a hefty investment to protect, to have an organisation able to cone with and adapt to local political pressures and circumstances.

While ZF will have a considerable investment outside Germany before the 1980s are over, Dr. Braun defends the company's position at home. We are convinced that what we are doing to rationalise and expand outside Germany will structure to see if it was still safeguarl jobs in Germany. In fact, there will be more jobs for a long time to come we to maintain the basic structure will be sending components but adapt it to some extent, from Germany to the new

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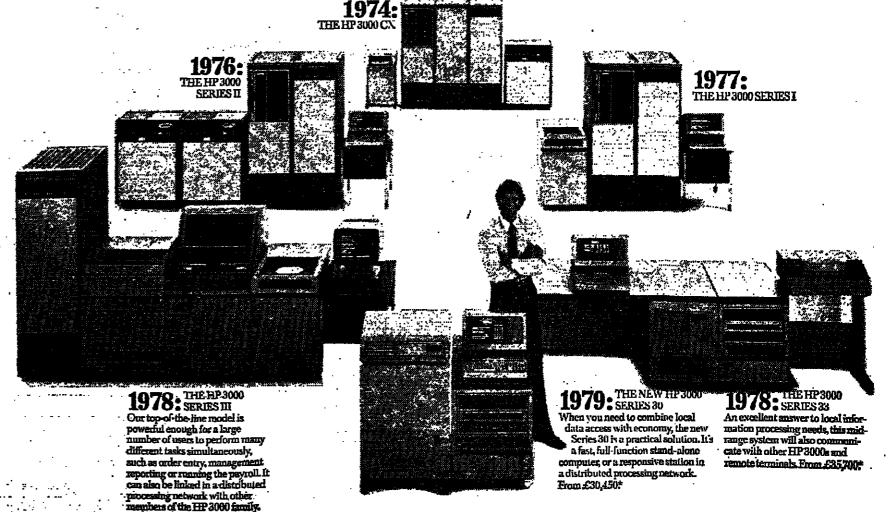
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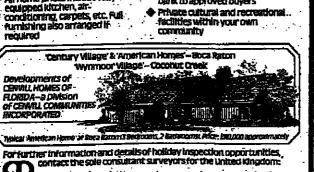
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MPs 'high' on self-delusion

BY SAMUEL BRITTAN

bad Press arising from the Treasury Committee's recent report. strategic view or comparison of By listening to the pro-secrecy alternatives. school among his advisers, instead of the publish-and-bedamn'd school, he simply played begins to take over. The Cominto the hands of his critics.

be made of forecasts and not disclosing such estimates and calculations as are still being made. The view that fuller discussion or disclosure will disturb markets, or will be mis-understood by a stupid public, belief that policy must be based is the oldest Whitehall ploy in "on a detailed view of the the game. It is sad that a new likely or possible course of Chancellor should have fallen various economic variables" for it so readily.

Mistakes

The Chancellor's tactical mistakes should not however disguise the fact that the Committee seems to be heading rapidly in the wrong direction. Many individual parts of its report make good points. An example is the unearthing of the 25 per cent rise in the public sector pay bill and the querying of the prudence of "allowing the Clegg awards to be paid in full." To those who call for a public sector pay policy, it is worth retorting that Clegg is an example of just such a policy

The Committee has also done well to underline the signs of over-optimism in the estimates for nationalised industry spending and public housing and overpessimism on oil revenues. But here already there one sees the highest - common - grumble factor at work. Did not anyone notice that these were offsetting errors or seek to form an overall judgment?

Moreover, there was no way the Government could have won on the housing side. If it had said that the cuts were to be in troi approach remains a matter building, it would have been of political economy. ticked off for cutting capital instead of current spending. If the emphasis had been on making rents less wildly uneconothat the trouble with the length Ascot success last month mic. Ministers would have been British economy was that the and have duly backed him for a rebuked for raising charges and

public spending can be cut dated as the dodo.

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feeling friendly (4, 8)

of tune (7)

to model (7)

evil cold (5)

(5, 3)

since (4)

school (4)

troublesome (8)

18 Money

1 Successfully aranged to be

10 Surrounded, Tom sang out

11 Antagonist gives little work

12 Central heating producing

13 Expired when announced

15 Catkins we hear Shakes-

16 More's the pity by a student

20 Hot drink supplier for each

army officer on a hill (10)

22 Headache in use can be

points about chopper (5)

27 Church Times disturbing

prize puzzle will be published

backing

peare potted (5, 5)

Captain Pugwash.

620 Nationwide,

6.55 Ask the Family.

6.40-7.55 am Open University

SIR GEOFFREY HOWE has simply by axing civil servants mainly himself to blame for the without curtailing services. What is completely lacking is a

But it is on output and employment that dud science mittee has fallen hook, line and The characteristic confusion sinker for the "demand of Tory Ministers is between management view" that output believing that less use should can never grow and the economy never recover from recession, unless one can say here and now which kinds of demand will rise and under what stimulus. It has uncritically accepted a Cambridge-type and of Government measures to influence them. The alternative view that economic policy has to do with markets, and the forces that make them operate more or less efficiently, is not even mentioned,

Some of the speeches by committee members last week showed signs that they were "high" on econometric self-delusion. A frequent theme was "We are not supplicants; we have the resources to make our own assessment of the effects of government policies and to determine whether inflation is related to money." They have no such predictive ability. They have going for them the fact of a recession which gives them a debating advantage over a government trying to play down its likely extent. Yet they sometimes talk as if they have

at their disposal a hard, quanti-

tative predictive science.

Lconomy

The relation between money and prices has been debated since Columbus discovered the New World and its precious metals; and the choice between monetary or pay-and-price con-

The present stance of the Irish 2,000 Gns. committee reminds one of the fashion of the 1960s for saying Treasury had not enough comnot really cutting public puters. If the committee is not pending." careful, it will find itself being The Conservative Members of used to push a particular style the Committee sometimes give of economics, which for all its the impression of thinking that self-proclaimed rigour is as with Prince Bee had that colt

> 7.20 The Dukes of Hazzard. 8.10 Panorama; Franz Josef

Strauss-a lifetime of

scandals. 9 00 News. 9.25 The Monday Film: "Catch

11.25 Bellamy's Europe. 11.55 Weather/Regional News. All Regions as BBC1 except as

Cymru/Wales — 1.45-2.00 pm Pili Pala, 5.55-6.20 Wales Today. 6.55-7.20 Heddiw, 11.55 News and Weather for Wales.

Scotland-12.40-12.45 pm The Scottish News, 5.55-6.20 Reporting Scotland. 11.55 News and Weather for Scotland.

News for England (except London). 3.55 Play School. 4.20 Cheggers Plays Pop. 4.40 God-zilla. 5.00 John Craven's News-round. 5.05 Blue Peter. 5.35 Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55 Scene Around Six. 6.20-6.55 Land 'N' Larder. 11.55 News and Weather for Norther Ireland. 5.55 Nationwide (London and

England—5.5-6.20 pm Look— East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points

scientist (7)

horsy instructor (6, 6)

DOWN

5 Supply northern church with

6 Composer who didn't finish

7 Plunder the spoiled ruln (7)

8 Dessert driving European

9 Animal might join force

14 Press empire to provide

21 Woven so as to make author's

words lie about (7)

sion? Correct (5)

ing out on top (4)

ing of always (7)

cotalogue (8)

foresight (10)

city erazy (9, 4)

meal (5)

(4)

(8)

24 Easily impressed by two 17 Perfect key to the unruly

26 Tone down a painting 19 Time-serving hairdresser (7)

The solution to last Saturday's 23 Morning comes to conclu-

names of winners next 25 Unsavoury film always com-

F.T. CROSSWORD PUZZLE No. 4,270

IT IS NOT jut Fleet Street employer, which should feel disquiet at Granada the Court of Appeal's decision in British Steel Corporation v. Granada Television*.

The public's interest in what matters of state are being decided in its name, but behind closed doors is seriously affected by the court's order that Granada's informer should be unmasked.

The Court of Appeal started from the premise that a journalist is entitled to protect the source of his information. However, it held that there are exceptions and proceeded to identify one in a way that is disarmingly vague.

One does not need to wander down the path trodden by Lord Denning in roundly con-demning the resultant TV programme and interview of Sir Charles Villiers, His judicial colleagues concentrated on the competing claims of the documents' owner and the un-authorised recipient. Indeed, Lord Justice Templeman's judgment is more deserving of study if only because he grapples with the essential problem and discards the inessential.

The balancing act between private rights and public interest was the focus of the court's exercise. It felt that an employer was entitled to protect his property against disclosure, at least so long as the employee who wrongfully revealed the confidences of his

Granada admitted that BSC's employee had committed a wrong by revealing the confiden-

tial documents. It further admitted committing a wrong in receiving the documents, using them for a programme and then, worst of all, mutilating the documents before returning them so that the informer could not be identified. But, is the behaviour of the actors in the play really relevant to the court's proper inquiry whether the immunity disclosure should be

Relevant

It is the nature of the information disclosed that is relevant, and that may not go to the question of corruption or misconduct by the owner of the information. No one would doubt that Her Majesty's Government may declare war on another nation. Supposing person accidentally came across a document from 10 Downing Street which indicated Cabinet decision to invade Afghanistan. The public interest in the revelation of that fact before the invasion would surely override any interest of the Government in preserving its secret launching of the war.

Much of what was discovered in the aftermath of Suez, by way of showing Anglo-French complicity with Israel, had it employer was not revealing cor-been revealed in advance might warrant such a protection ruption or misconduct by the have prevented a disastrous against the ordinary processes

were of such public importance, unconcerned with the behaviour that society cannot tolerate, the immunity of the media provided does it matter for the purpose of those that handle the Court of Appeal's decision is the media did not misuse of ordering disclosure of the material, except that any conceived in fear that too much information received without name of the informant whether wrongdoing may provide alter-he obtained the documents by native remedies in the civil and stealth, or whether the criminal courts, recipients behaved badly? Sup- The concentration of the posing the informant had issue of disclosure or non-

Ruling on disclosure is disquieting

chapter in modern history.

of law that provide remedies Like all laws that seek to Templeman is less than satisfied to property owners in respect control the flow of information, factory. He said: "The court Corporation. If the documents of their properties. It is as opposed to punishing actions would strive to uphold the of law that provide remedies

simply put the document into disclosure of sources does not

THE WEEK IN THE COURTS

BY JUSTINIAN

the post anonymously. Granada unhappily do away with the would have been able to say balancing test. The courts still truthfully that it did not know have to weigh the competing the identity of its informer.

What one suspects is that the documentation from BSC contained nothing that the against the disclosure of state tained nothing that the public private litigation.

did not already know, or that The spate of litigation at most it disclosed some question between Lourno and Shell over did not already know, or that at most it disclosed some questioning within the counsels of the breaking of sanctions BSC of the corporation's com-petence in the prediction of the size of future markets for steel. If so, the degree of public interest in disclousre might be insufficient to sustain the immunity of the journalist. However, that is entirely

public interests that are The method by which the involved in the particular sub-information is revealed thus ject matter. But the courts

against the former territory of Southern Rhodesia was one such instance. Lonrbo sought to have sight of certain documents. Two appeals dealing with documents held by subsidaries of Shell and documents that were partly released from confidentiality in because the material does not the Bingham inquiry are currently under judgment in the House of Lords.

Like all laws that seek to Templeman is less than satispower is resided in the press. authority. A similar attitude dictates the courts' approach to the im-

munity of trade unionists. But fear is a poor guide to framing sensible rules in areas that deal with freedom of speech. In the United States the Supreme Court has over the publication. years had constantly to wrestle with the problem as a result of the Frst Amendment to the Constitution which proclaims that Congress shall pass no law

Shortcomings

abridging free speech.

In their attempt to put some limitation on the right, the judges developed the doctrine that to curtail freedom of speech there had to be shown a "clear and present danger" to society. Words could be punished only if they created imminent danger of producing the evil that Congress had the right to supress. Libertarians hailed that doctrine with joy: they continued to do so until thirty years' trial proved that every danger — dim, distant or totally non-existent — was clear and present to judges who thought it to be so.

The shortcomings of any balancing test are manifest. The test proposed by Lord Justice 1980.

However, if the media received truly confidential information they could not expect both to conceal their source and disclose the information in breach of confidence unless there were strong reasons to justify

The Lord Justice then invoked the courts' attitude, that they should not alloy the media knowingly to break the law and claim the immunity, to restrict the application of immunity for a justified publication. This is to confound the public interest in disclosure with a different kind of interest to suppress wrongdoing.

The morass of confusing reasons advanced by the Court of Appeal awaits an unravelling by the House of Lords. Even if that august body does a rather better job of producing an intelligible and publicly acceptable formula for testing the immunity of journalists, the issue is one ultimately for Parliament, Government, of whatever political complexion. cannot long resist the dire need for legislation on the citizen's right of access to public information. Confidentiality then will be permitted to rear its prevasive head only in a much more limited field of public knowledge. Times Law Report, May

Derby trial week for Piggott

BY THE end of this week Lester turn at Ascot, but I think he York trial, Water Mill is, sur-Piggott may well know on what colt he will be relying in his bid for a ninth Derby triumph.

Piggott, now aged 45. is due to ride the Queen's Dukedom on Wednesday and, three days later, Monteverdi at The Curragh. He rides Dukedom in the Mecca-Dante Stakes—a race won by Shirley Heights on his way to triumph at Epsomand Robert Sangster's colt in the

Although many were highly impressed with Dukedom's sixrepeat in the Mecca Dante, I believe the form amounted to little. It is purely guesswork as to

how Dukedom would have coped not lost his footing on the home Mecca sponsors of Wednesday's

BBC 2

6.40-7.55 am Open University.

11.00 Play School (as BBC1

7.25 Mid-Evening News includ-

9.00 Not the Nine O'Clock

11.30 Russian - Language and

The Toyota Champion-

Dressage:

4.50 pm Open University. 6.55 Six English Towns.

ing sub-titles.

8.05 Bird Spot.

News. 9.25 Brass Tacks.

10.10 International

ships.

10.45 Newsnight.

People.

Money-Go-Round. 6.00 Thames News.

9.00 Fox.

6.35 Crossroads. 7.00 Lingalongamax.

7.30 Coronation Street.

10.30 Monday Film: "Born

12.15 am Close: Personal choice

with Roy Hudd.

except at the following times:

8.00 Young at Heart. 8.30 World in Action.

Innocent.

11.55 Closedown, reading.

LONDON

9.30 am Schools Programmes. 12.00 Chorlton and the Wheelies. 12.10 pm Rainbow. 12.30 One Step Ahead. 1.00 News, plus FT

Index, 1.20 Thames News, 1.30 About Britain, 2.00 Against the

Wind. 3.30 Monday Matinee: 'Salt and Pepper" starring

Sammy Davis Jnr. and Peter Lawford. 4.15 Clapperboard. 4.45 Enid Blyton's Famous Five. 5.15

8.15 The Waltons.

7.35 Around with Alliss.

would have had his work cut

On Wednesday Dukedom faces, among others, Prince Bee's stable companion, Water faces. The West Isley camp

RACING

BY DOMINIC WIGAN

considers this bay by Mill Reef some way ahead of both Henbit (a probable for the French Derby) and Prince Bee.

The Derby market certainly reflects growing confidence in Water Mill's ability to earn a ticket to Epsom. At 12-1 with

1.20 pm ATV Newsdesk. 2.00 Money Go-Round, 2.30 The Monday Matines: "Moment of Dancer." 5.15 A Sharo

"Moment of Danger." 5.15 A Sharp Intake Oi Breath. 6.00 ATV Today. 10.30 Left. Right and Centre. 11.00 ATV Newsdeak. 11.05 Luke's Kingdom.

BORDER

1.20 pm Border News. 2.00 Money-Go-Round, 12.30 Monday Matines: James and Hattie Jacques. 5.15 "Carry on Cabby," starring Sidney University Challenge. 6.00 Lookaround Monday. 6.15 About The Garden. 6.30 Out Of Town. 10.30 Scottish Conservative Party Conference. 11.30 Vegas. 12.30 am Border News Summery.

CHANNEL

1.20 pm Channel Lunchime News, What's On Where and Weather. 2.00 Money-Go-Round. 2.30 The Monday Matines: "Berlin Affair." 5.15 University Challenge. 6.00 Channel News, 6.10 Animated Classic. 10.28 Channel Late News, 10.35 The Television Programme. 11.05 Luke's Kingdom. 12.00 Police Surgeon. 12.25 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 2.00 Money-Go-Round. 12.30 Monday Matinee: Busman's Honey-moon, starring Robert Montgomery, Constance Cummings and Leatle Banks. 5.15 University Challenge. 8.00 North Tonight and Area Weather Forecest. 6.35 Country Focus. 10.30 Con-ference Report Conservative. 11.30 Reflections. 11.35 The New Avengers, 12.30 am North Headlines.

GRANADA

1.20 pm Granada Reports, 2.00 Money-Go-Round. 2.30 Monday Matines: "Sands of the Desert," staring Charlle Drake. 5.15 Granada Reports. 6.30 Granada Reports. 6.30 This Is Your Right. 10.30 Nuts and Bolts. 11.00 The Lete Film; "Someone I Touched."

West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

6.30 Survival. 10.30 Still M.A.D. After All These Years. 11.15 Monday Late Film: "Five Card Stud." starring Dean Martin and Robert Mitchum, 1.05 am

prisingly, only marginally pre-ferred to Dukedom in the Derby betting.

But, it must be remembered that any colt—particularly one owned by the Queen—con-sidered to be on Piggott's Derby short list-is invariably one with whom bookmakers will be taking few chances.

Latest betting for the Mecca Dante Stakes is 7-2 Water Mill, 5-I Dukedom, 6-1 Hello Gorgeous and St. Jonathan, 7-1 Star Way and Master Willie, 8-1 Tynavos, 12-1 Running Mill, 16-1 World Leader, 33-1 Angepoise and Highest Bidder.

3.80-Joint Mercyes 3.30-Pounentes*** 4.00-Ribble Rouser 4.30-Ski Lift*

10.20 am ABC. 12.00-12.10 pm Trehetiau. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Head-lines. 2.00-2.30 Hamdden. 4.45-5.16 Sêr. 6.00 Y Dydd. 6.25-7.00 Report Wales. 5.30-9.00 Yr Wythnos.

SCOTTISH 1.20 pm News and Road

Weather, 2.00 Money-Go-Round, 2.30 Monday Matinee: "Stranger On The Run." starring Henry Fonda, 5.15 Little Vic. 6.00 Scotland Today, 6.45 Crimedesk, 10.30 Conference Report. 11.30 Lats Call. 11.35 Kaz. SOUTHERN

1.20 pm Southern Naws. 2.00
Money-Go-Round. 2.30 "Boy In A
Plastic Bubble," starring John
Travolta. 5.15 Take My. Wife. 6.00
Day. By. Day, including Southsport.
10.30 Southern News Extra., 10.35
Southern Report. 11.05 Kaz.

TYNE TEES TYNE TEES

9.20 am The Good Word, followed by
North East News Headliness. 1.20 pm
North East News and Lookeround.
2.00 Money-Go-Round. 2.30 Monday
Matines: "Four Against the Desert."
5.16 Mork and Mindy. 6.00 North East
News. 6.02 Play It Again. 6.25
Northern Life. 10.30 North East News
Headlines. 10.32 Northern Report.
11.00 The Monday Thriller: "Nowhere
To Hide." starring Lee Van Cleef.
12.30 am Epilogue.

ULSTER 1.20 pm Lunchtime. 2.30 Mondey
Merinee: "Breakout." 4.13 Uister
News Headlines. 8.00 Good Evening
Uister: 10.29 Uister Weather. 10.30
Craftsman For Christ. 11.00 The Odd
Couple. 11.30 Gardening Today, 11.55

WESTWARD WESTWARD

1.20 pm Westward News Headlines.
2.00 Money-Go-Round. 2.30 The
Mondey Matinee: "Berlin Affair."
4.12 Gus Honeybur's Birthdays. 5.15
University Chellenge. 6.00 Westward
Diary. 10.32 Westward Late News.
10.38 The Television Programme. 11.05
Luke's Kingdom. 12.00 Police Surgeon.
12.26 am Faith For Life. 12.30 West
Country Weather and Shipping Forecast.

All IBA Regions as London xcept at the following times:

ANGLIA

1.20 pm Report West Headlines.
2.00 Here Today. 2.30 The Monday Go-Round. 12.30 Monday Matines:
Mattheward Matt "Seven Thunders." 5.75 University Challenge. 8.00 Calendar (Emley Moor and Belmont editions). 6.35 The Spaiding Flower Parade. 7.00 A Sharp Intaka of Brasth. 10.30 Calendar Caroussi. 11.00 Kate Loves A Mystery, 12.00 George Hamilton IV.

ENTERTAINVIENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards. 240 \$255. Reservations 836 3161. ENGLISM MATIONAL OPERA. Tomor. 7.30: Gale Performance. Wed. 7.30: The Barber of Seville. Thurs. 6 \$21. 7.30: Fidelia. Fr. 7.30: Toxca. 104 balcomy sests avail. from 10 am on day of peri. Autumn Subscription Biggs now seeks. Reg. 01-535 2899 124-by service; for brockure. COVENT GARDEN. CC. S. 240 1058. (Gardencharge credit cards 835 5903). THE ROYAL OPERA. Ton't. & Thu. 7.30: Die Zauberföte. Fri. 6.00: Tristan und Isolde. SADLER'S WELLS ROYAL BALLET Tomor. 7.30: Crossa Fage/Playground Paquita. Sat. 7.30: Coppélia. 65 Amphi. seats avail. for all peris. from 10 am on day of perf. DUKE OF YORK'S. CC 836 5122 Sun 18 May 7.30 VICTORIA DE LOS ANGELES In conversation with Alam Scrowright. Audio-visual diestrations. Special quests: Gerald Moore & Timothy West. Booking

ADLER'S WELLS THEATRE EC1. 837
1672. CC 837 3856-7505. Evs. 7.30.
Until Sat. MUSIC WEEK AT THE
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recitals by young musicians. Tonght
givalan Wind Quintet Penelope Roskell

SADLER'S WELLS THEATRE EC1. 837 1872 CC 837 3856.7505 Eygs. 7.30. Mat Sat 2.30. THE ROYAL BALLET OF FLANDERS, May 20 to 31.

THEATRES

ALDWYCH. S. 836-8404, CC 378-6233, (10-6, Sats. 10-4). Into 836-5332, Fully alr conditioned ROYAL SHAKE-SPEARE COMPANY, Eves. 7.30, Thur, Satmats. 2.00. From Stratford-upon-Avor 7HE MERRY WIVES OF WINDSOR, RSC also at The Warehouse and Piccagilly

ADELPHI. CC. 5. D1-836 7611.
Evgs. at 7.50. Sat. 4.00 and 7.45. Mals.
Thurs. 3.00. TONY BRITTON. LIZ
ROBERTSON, PETER BAYLISS & ANNA
NEAGLE In THE WORLD'S GREATEST
MUSICAL MY FAIR LADY NOW BOOK.
ING TO OCT. 1960. For group Bookings
ring 01-836 7358 or 01-379 6061.

ALBERY, S from 9 am 01-836 3875. CC. 379 6565. Group Bkgs. 836 3962. Evs. 7.45. Mai. Thur. & Sat. 4.0 OLIVER! GEORGE LAYTON. HELEN SMAPIRO. CHILD FREE with each ADULT. AMEASSADORS. 01-836 1171, OPENS TON'T. 7 pm. Subs. evgs. 8. (Mats. Tue. 2.45 from 20 May). Sats. 5 & 8. MARGARET LOCKWOOD, POLLY JAMES In. MGTHERDEAR 8 new play by Royce Ryton.

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Parties 01-378 5061. Mon-Fri 8.00 Wed
3.00 Sats 5.08 & 8.75 Wed mats 1: price
JAME ASHER. MICHAEL GOUGH.
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PARTY by Rodney Ackland. Story by W.
Somersat Maugham, Directed by TOM
CONTI. CONTI.

ARIS THEATRE. 01-836 2132. Tom
Stoppard's DIRFY LINEN. MON. Thurs.
6.30. Pri. 6 Sat. 7.00 6 9.15. NOW IN
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Group sales 379 8061, Eves. 8. Mat.
Wed. 3. Sats. 5. and 8.15. Servi Rel.
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In 8 new Diay by Peter Nichols BORN
IN THE GARDENS. OVER 100 PERFORMANCES.

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Evenings 8.0. Mat. Sats. 2.30. Ends Sat.
NEXT TIME I'LL SING TO YOU by James
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HAMPSTEAD, 722 9301, THE HOTHOUSE by Harold Pinter, Mon.-Sat. B. Sat. mat. 4-30.

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Keith Michell, Julia McKenzle. Mark
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Christmas.

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LYRIC HAMMERSMITH. CC. 01-741
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R4. Eves, 7.30. Sets, S. 8.15. Thur. mat.
2.30. Noel Coward's
HAY FEVER
Cast Includes Constance Cummings and
John Le Mesurier,
LYRIC STUDIO: Temper-Fil. 8. Set. 8.30
MIKE WESTEROOK BAND.
Prevs. trom 22 May, Doens 27 May
LIVINGSTONE & SECHELE a comedy by
David Pownall,

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Sats. 2.00. COMEDY THEATRE CC 930 2578.
MON-Sat 9.00 Mer. Fri. and Set. 6.30.
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YORKSHIRE

ANGLIA 1.25 pm Anglia News. 2:00 Money. Go-Round. 2:30 Mondey Film Matines. 'It Started With Eve." 5:15 University Challenge. 6:00 About Anglia, RADIO 1

(S) Stereophonic broadcast
5.00 am As Radio 2. 7.00 Dave Lee
Travis. 9.00 Simon Betgs. 11.31 Paul
Bumett. 2.00 pm Andy Peebles. 4.31
Kid Jensen. 7.00 Stayin Alive. 8.00
Mike Read. 9.50 Newsbeat. 10.02
John Peel (S). 12.00-5.00 am As
Radio 2. 28 Taking bus to overcome 2 The first person to be think-3 Lawyer gives member a 4 Letter from Greece at whit

RADIO 2 RADIO 2
5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogen (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S). 6.03 John Dung (S). 8.02 Folk On 2 (S). 8.02 Humphrey Lyttelton with the Best of Jazz on records (S). 9.55 Sports Desk. 10.02 The Monday Movie Quiz. 10.30 Star Sound. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

time Concert (S). 2.05 Matinee
Musicale (S). 3.00 Music for Guttar
(S). 3.30 New, Records of music by
Beethoven (S). 4.56 News. 5.00
Mainly for Pleasure (S) (4 and mono
only from 6.20). 7.00 Israel Philhermonic Orchestra, part 1 (S). 7.55
A Musical Ramble (S). 8.15 Israel
Philharmonic Orchestra, part 2 (S).
9.00 Lord Home: Reflections. 9.45
Franz Danzi (S). 10.00 Romance
Raptures (S). 10.30 Jazz in Britsin
(S). 11.00-11.05 News.
VHF only—Open University 6.00-7.00
am and 6.20-7.00 pm; and for Scottleh
students only 12.00-1.00 am

RADIO 4 ·· -Music (5), 5.00 News, 5.05
Waggoners' Walk, 5.20 Much More
Music (5), 6.03 John Dung (5), 8.02
Folk On 2 (S), 8.02 Humphrey
Lyrietion with the Best of Jazz on records (S), 9.55 Sports Desk, 10.02
The Monday Movie Quiz, 10.30 Star
Sound, 11.02 Brian Matthew with Round Midnight, including 12.00 News, 2.02-5.00 am You and the Night, and the Music (S).

RADIO 3
16.51 am Weather, 7.00 News, 7.05
Overture (S), 8.00 News, 8.05 Monning Concert (S), 8.00 News,

5.00 am As Radio 2. 6.30 Rush Hour.
10.03 The Robbie Vincent Telephone
Programme. 1.03 pm London Live.
4.30 London News Desk. 5.35 Look,
Stop. Listen. 7.03 Black Londoners,
8.00 Question Time from the House of
Commons. 9.00-5.00 am Join Radio 2, London Broadcasting

LORGON Broadcasting
6.00 am AM with Bob Moiness and
Douglas Cameron. 10.00 Brien Hayes.
12.00 LBC Reports. 8.00 pm The
London Interrogations. 8.00 Mike.
Dickin-Nightine. 12.00 LBC Reports
Midnight, 1.00 am Night Extre. 5.00
Morning Music. Capital Radio

Capital Ka010
6.00 am Graham Dene's Breakfast Show (S). 3.00 Michael Aspel (S). 12.00 Deve Cash (S). 1.00 pm London Today First Report (S). 1.10 Deve Cash (continued). 3.00 Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Alan "Fluff" Freeman (S). 1.00 Tony Myett's Late Show (S). 2.00 em Peter Young's Night Flight (S).

THEATRES NATIONAL THEATRE S, CC blogs 928 225.2 OLIVIER (open stage): Ton't Tomor 7.30 (only perfs. this month) THE WILD DUCK by Henrik Ibsen trans. by Caristopher OLIVIER (open, stage): Ton't. Tomor 7.30 (only perft. this month) THE WILD OLICE (only perft. this month) THE WILD OLICE (only perft. this month) the wild olice (only price previous continues the price opening). THE BROWNING VERSION: MARKEQUIMADE. A double-bill by Terence Rattigan.

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Festival Hall

Stockhausen

by MAX LOPPERT

Andrew Davis, gave on Friday the British premiere of Stock hausen's JUBILEE for orchestra (1977). Anyone who approached the music by way of the composer's programme note could be forgiven a passing blench: 91 lines of technical description, close-packed with arcane (for most of the listeners in the hall) numerical detail, preceded two lines of useful adjectival encouragement—the effect of the piece was intended to be "festive, spectcular, full of confidence."

Luckily, so it proved.

JUBILEE — the capitals are proved. Stockhausen's-turns out to be one of the most immediately approachable of his recent compositions, a celebration (of, in tial simplicity of its overall particular, the 125th anniver design—a kind of passacaglia, House, who commissioned the in the evening a recital in the work) in 15 or so minutes of Waterloo Room by the chamber colourful and imposing sound. group Lysis had led a brief It opens with the hortatory, survey of earlier Stockhausen brass-laden musical "formula" phases of composition, in parthat is to recur throughout chorale-like in character, on each full-orchestral reprise decorated by whooping, sighing glissandi on high and a fantas senior Stockhausen were better ficated buzz and bustle through filled. Any moral to be drawn

The Philharminoa, conductor out the orchestra. One of the chorale repeats — a window" in the musical fabric, according to the composer-is announced by frombones and a tuba high up in a distant box; another by a quartet of oboes offstage. At the close all sectors join for a final: piled-up statement in a way that Berlioz, Bruckner and Messiaen might variously recognise: "spatial" music, but, unlike Gruppen and Carré, of an appreciably simplified, tradition-conscious cast. Indeed, for all the undoubted

complexity in the layering and combination of timbral effects (the amplified solo first violin made in Friday's performance a nastily insistent sound), two encounters with JUBILEE were sufficient to indicate the esser sary of the Hanover Opera one is tempted to call it. Earlier ticular the textpieces and "intuitive music" adventures. It was an hour of the most arid tedium. Fifteen minutes of the senior Stockhausen were better



Coppélia

by CLEMENT CRISP

and genuine wrote Benois, preferable. Elsewhere, Peter was dreadful.) Alberto who had fallen, once and for Snew's open air setting is all, under the spell of Coppelia charming, his act-drop exemplary as a peasant-crafted guide this flawless score again on to the story.

This is a setting is doubt contrive to move less disconcertingly between an admirably pure vein of lyrical singing delightfully fresh, expressive Friday night, when Sadler's Wells Royal Ballet brought the charmer back to the Opera House, I found the spell of Delibes' ever felicitous writing. his dramatic alertness and sense of fun, were potently good Barry Wordswurth, excel-lent conductor, coped with the orchestra in one of its more graceless moods, SWRB's artists bounced and stamped, and looked happy despite pandemic leg of mutton sleeves on their

peasant costumes Wright's recent revision, which which encompasses farce as opts for a lively naturalism—as Galician circumstances far as that is possible in the sees his aspirations mocked to which I will only reproach and made foolish. Tait and Auld the loss of the formal beauties play the incident with liveliest of the "ear of corn" choreography in Act 1. Elsewhere I mopings of Dawn and Prayer; the interpolated male ensemble Katrak, and Susan Lucas, who in this act has lost the antiers sparkled round Swanilda as her and poppies that made its cast friends—and looked as if they look like lunatic folk-dancers could take over her role in a last season, but the furry

music; "Still bodices remain. Depilation, even leg of muton sleves, would be

boulevardier wit in playing, as Coppelius, but serious in making the narrative clear in Act 2, that dramatic masterpiece which shows youth set against The production is Peter creating life). It is a scene jowi. Swanilda bamboozles Coppelius, it may become such a Fidelio, - and and tragedy as the alchemist style and sympathy, and make the ballet entirely fresh. So. salute his czardas, and the throughout the vening, do the ensembles and solos in Act 3 SWRB artists. I like very which replace the unhallowed much the quartet of Susan Crow, Bess Dales, Nicola trice.

to the Old Vic For the first time in over 40 years, ballet returns to the Old Vic stage Svetlana Beriosova, Anton Dolin and Robert Helpjoin Maina Gielgud, Eduard Greyling and Jonathan Kelly in new productions of Notes · and - Squeaks devised by Maina Gielgud, from

Ballet returns

June 3-21 at 7.30 pm The original production of Steps, Notes and Squeaks was first seen in London in 1978, and later in Paris, and is described as "an entertaining and instructive insight into the nature of a dancer's work." Choreographers taking part include Gigi Caciuleanu, Peter Darrell, Ronald Hynd, Barry Moreland, Andre Prokovsky, Heinz Spoerli and Ninette de

BBC may start Ulster orchestra

The BBC has announced a proposal for a symphony orchestra in Northern Ireland. It could involve the transforma-tion of the BBC Northern Ireland Orchestra, which now has 30 players, and plays chamber music.

The BBC says it is prepared to invest £80,000 annually in orchestral music in Northern Ireland in return for various broadcasting rights. Preferably this money would be spent on the expansion of the Ulster

The BBC Northern Ireland Orchestra is one of the five to disband as part of economy



Fidelio by MAX LOPPERT

We have had to wait out a have been. In the recitative of perween pit and stage, and two still further, for there is a encourage less spotty orchestral radiance in the music not quite playing, than he did, particularly in the first act, on Saturday evening.

(The creating the tension a degree or two still further, for there is a encourage less spotty orchestral radiance in the music not quite implied in her tense bearing.

In sum, though a manual transfer or the sum, though a manual transfer or the sum of the sum o day evening. (The overture was dreadful.) Alberto Remedios' Florestan will no

Marion Tait was the Swanilda.

sunnily mischievous; Alain
Dubreuil was a Franz with a boulers with a Joachim Herz's production may boulevardier wit in playing.
which compensated for some less than witty dancing. John Auld was all doddering foolery

boulevardier wit in playing.
even, with smoother functioning of the apparatus, come to seem less unwilling to grant a general level of audience age, reality against dreams but distanced kind of interest (Franz's hopes of winning and a more immediate kind of Coppelia; Coppelius vision of irritation justled cheek by irritation jostled cheek by

I have some confidence that

long interval for an English the aria the words "shine out" Opera Fidelio, and did not encourage a similar freegratitude that one of the neces- dom in the tone; the voice is sary, life-enhancing operas has not heroic (and the dryness of refurned to the Coliseum, in a the important lower register is new production (suported by briefly worrying), yet Miss the National Westminster Barstow unfailingly exploits its Bank), outweighs the many dis- marked individualities of timbre satisfactions therewith that will for expressive purposes. The have to be set down in this trim shape of this Fidelic allows notice. The cause of some of for a subtle, never emphatic these may disappear later in assumption of boyishness—only the run. Mark Elder must at the end could she afford to

> the jailer of Dennis Wicks. There was no need whatsoever for the producer to return to circulation the speech (placed between prison and final scenes) that Beethoven himself finally suppressed, in which Rocco's opportunism is summed up; for in Mr. Wicks' portrayal, jaunty. sentimental, and beady-eyed by turns, it was already there in every gesture, every utterance (his bass was in strong form). Neil Howlett's Pizarro, cast in a melodramatic mould perhaps not of his own making, manages by dint of dark, well-shaped tone and keen attack on the words to achieve an impressive originality. The young couple of Eilene Hannan and Geoffrey Pogson, attractive players both. need to free their minds and

place of small parts in the larger scheme. In the above comments on the

been expended on the exact

cast can be read a critique of both positive and negative aspects of the Herz production. His way with the players is closely focussed, and the most able among them respond in kind. There is a vein of anger, an openly expressed refusal to permit the ultimate triumph of Leonore and Florestan to bathe the audience in a roesate glow of self-satisfaction. When this is opportune as it proves in the stark treatment of the Prisoners' Chorus-violently prodded from their cells, they cower, human wrecks, in huddled groupings briefly altered by the mirage of hope-a new intensity is found in the music. (There must be a word here for the sterling male chorus.) When it is not as in the final scene just before and during "O Gott! o welch' ein Augenblick!"---a cinematic" change of perspective removes the attention from the unlocking of Florestan's fetters to a back tableau of prisoners still in manacles-it is at once musically insensitive and grossly patronising.

And with all the undeniable

expertise of the East German producer we have to accept a surprising amount of crude lapses. More than one opinion is possible of Rheinhart's Zimmermann's (to me hideous) sets. But did no-one consider ment to prove that he had the h surprising amount of crude because it is alredy strong where their voices of production com- sets. But did no-one consider most necessary—in its prin-plications; the full, noble the cumulative disturbance, on cipals. To the title role sound of John Tomlinson's un-audience ears of even minimal cipals. To the title role sound of John Tomlinson's un-audience ears of even minimal Josephine Barstow brings all the usually youthful Don Fernando sensitivity, of feet scraping intense dramatic intelligence and two excellent solo prisoners along the complex of metal surexpected, and also a sovereign (Terry Jenkins and Roderick faces and mesh grids that fills vocal authority that may not Earle) show the care that has the left side of the Act 1 set?

Festival Hall

Brendel's Emperor

London Symphony Orchestra several aspects. For all the would have managed to fill the strength of his reputation he Festival Hail on Thursday even is not cast in the mould of an resultal half on limits and even ing with Bizet's music for L'Arlesienne (the first suite complete, and half of the second) and Ravel's "chareographic poem" La Valse. Abbado delivered forthright. affectionate performances of both works, with carefully tended detail. La Valse, perhaps was too scrupulous—a certain element of wildness, an exaggeration of its blacker excesses, is necessary to lift the tacky frieze-like construction more direct and towards

compelling. But in largest part the capacity audience was attracted by the prospect of Alfred Brendel orchestras which the BBC is due playing the Emperor Concerto. tinued, with opportunities for to disband as part of economy Mr. Brendel obliged with a rhetorical gestures consistently

puzzling in For all the extrovert, bravura pianist; his technique is impeccable, but there are moments in his playing when the lines of communication with his audience founder, when the personal solution of musical problems takes precedence over the clear projection of salient details. Thus the Emperor

launched, not in a flourish of figuration, but with objective restraint, and Abbado similarly moved the opening tutti along lean, brisk lines, though when the time came he could not resist imparting flamboyance to the beginning of the second subject. So the movement continued, with opportunities for commendably fluent account resisted; even the false cadenza

Even conducted by Claudio which was repturously received that begins the coda was Abbado, it is doubtful that the but remained puzzling in decidedly functional in intent and the centre of gravity switched to the subsequent horn solo, which Mr. Brendel bathed the most delicate of decoration.

> Yet even without the conventional frissons, it remained a deeply satisfying version of the concerto. An utterly limpid and straightforward Adagio (the orchestral strings warmly hymnic) was able to generate tension at its own pace and the tension then brilliantly discharged in a brittle, almost slapdash attack on the finale. Thereafter composure and elegance were regained; the work was allowed to end as it had begun, with Mr. Brendel's penetrative intelligence justifying every one of his unexpected interpretative decisions.

Rattigan comes to the National

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by ANTHONY CURTIS

The Browning Version at the National Theatre tomorrow it He may have felt that the the play.
will be the first Rattigan play to theatre at that time ought to For the benefit of anyone us not dwell on this shameful look back to the period when the play and its sibling Harlequinade, also revived, were first presented.

When Playbill was first pergan was Britain's most fashionable playwright. He was not
yet 40 and be lived in Albany.

Piccedilly in a stale name of the lived in Albany.

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Piccedilly in a stale name of the lived in Albany.

Played different lived in Albany. yet 40 and he lived in Albany. Piccadilly, in a style not unworthy of Oscar Wilde, whose play The Importance of Being Earnest he knew by heart, he had read it so many times. Previously he had served during the war in the RAF in the role of rear-gunner in Welington

Service life had not prevented him from continuing to write plays. In 1942 his Flare Path gave a vivid impression of the operations of a Bomber station observed from the viewpoint of a public house in Lincolnshire. for a comedy of wartime London and wrie-puling in high places: and in 1944 he had produced Lore in Idleness about a Canadian-born politician in-spired by Lord Beaverbrook. who runs into trouble when his legendary pair, Alfred Lunt and

Lvnn Fontanne. For his first post-war play Rattigan had resuscitated a famous case of the 1900s, the Archer Shee affair, and had done so in a four-act framework reminiscent of Galsworth whose works he had studied in the library at Harrow School when he began to conceive the notion of making playwriting his pro-fession: He called it The Winslow Boy. These plays had all been suc-

essful with the London public. Rattigan's name often cropped up in the public prints, not always in the columns devoted to dramatic criticism. There might write next. He aided it by dropping the hint along the theatrical grapevine that he was theatre had changed since the ing the role on radio. war and that plays would be-

skill to solve any technical problem that he set himself. been striking The Browning When the plays were finished Version continued to be 2 Browning Version, as the main societies and seaside repertory one was called, was turned companies but it had to wait Gielgud, and

grace its boards since the move in a more extravagant who has not been there I should theatre was opened not just on romantic direction than Ratti-explain that at the King's Head the present site but even at its gan's minute realism. It was the a meal is served before the previous Old Vic address. Let period of the discovery by the play, those of the audience who London public of Tennessee have dined remaining at their neglect now happily ended, but Williams, of Christopher Fry, tables for the performance. I of Anouilh. At any rate it was a sat at a table with three others lucky break for another for the show one of whom was theatrical management that of a man in his middle sixties Stephen Mitchell who signed up whose perfectly cut dark blue to do The Browning Version suit proclaimed him to be not formed in 1948 Terence Ratti- and Harlequinade as Playbill of the usual clientèle. His fine

developed

played different roles in each doubling trick further Beaumont's rejection of the plays seemed crazy after the reception given *Playbill* by both

public and critics. It ran to great acclaim and Rattigan's magical moneyed aura was enhanced. The popular Press showered praise on the production and even the intellectual weeklies found much to admire. T. C. Worsley (later to become a close In 1943 he had used his own friend of Rattigan's) wrote in rooms in Albany as the setting the New Statesman that, "In The Browning Version Mr. Rattigan digs down several layers. His schoolmaster is much more than a facile characterisation. It is a rounded character. Schoolmasters seem to lend themselves very easily to sentimistress's son arives home from mentalisation in the hands of America. This had starred the popular writers, whether they are treated as successes or failures; but Mr. Rattigan has felt and thought his originally, imaginatively and truly. The

> self been a schoolmaster. The second play Harlequinade tended to get dismisesd in a few lines at the end of the notice, and Worsley was no exception. He described it as. green room rag in which Miss Mary Ellis and Mr. Port-man have a grand frolic rehearsing Romeo and Juliet in the deal of amusing fooling and a

part is excellently written and

it grows in the memory." Praise

indeed from one who had him-

was speculation about what he Separate Tables did not do was completely captivated by nearly so well when it crossed the water to Boardway where it ran for 62 performances. It was writing one-act plays for John however, made into a notable Gielgud (who had turned down film in 1951 by Anthony Asquith the role of Sir Harry Morton in with Michael Redgrave as the play transcends the period Crock, and Gielgud at oned for in which it is set. Its sense of sensed that conditions in the his rejection belatedly by play-All this was a long time ago.

rise in the 1930s and 1940s had Hugh until 1975 for a revival of any "Binkie" Beaumont of H. M. class. This was staged at the Tennent. Rattigan's managerial King's Head public house in boss as it were, then lost Islington, London, with Nigel time which explains Beaumont's to see it I wondered how the to live just about intact.

When the curtain goes up on reluctance; the reasons for rest of the audience, mainly Gielgud's decision are obscure. under the age of 30, would find

remarkable air of amused conof the two plays. Several years centration. In front of him was later in Separate Tables (1954) whisky. He sipped it nervously and waited. This was Rattigan on one of his visits to London

from Bermuda where he lived. Rattigan's curiosity as to how occasion was as anxious as that of any novice playwright. Was the eclipse of his work on the London stage coming at last to an end? He was keen for a West End revival of The Browning Version, not because he wanted particularly to bask in his former glory, but because he had in mind a new play he wanted to write; a drama about the relations between Haig and Asquith and Asquith's son Ray-Rattigan had been reading avidly in this period. It was true that he had had a new play performed in London as recently as 1973, In Praise of in two acts woven out of several strands of his own life; in spite of one glowing notice, this had not really re-established him in the minds of present West End audiences. But a strong revival of The Browning Version would by contrast provide just the impetus he needed to get started again which was what, in spite of serious illness, he wanted more than anything in the world to do. It was soon plain, from the

first moment of the play when Taplow pilfers the chocolates. provinces. . . . There is a great and then receives instruction in a golf-swing, cradled in the arms of the popular young measure of waste here." arms of the popular young
The Browning Version unlike master, that the entire audience what was happening on the stage, and was delightfully sur-prised by the unfamiliar tautness of the construction. By the end it was abundantly clear that the play transcends the period In spite of the Himmler comby his father for the Diplomatic Service, playing cricket for the eleven, When the plays were finished Version continued to be a eleven, and observing the suffered two setbacks. The favourite with amateur dramatic quaint mannerisms of his master in Greek, one Coke Agamemnon. Out of such Norris, as they construed the memories Rattigan had made his own drama of a man slain interest in it. One-acters had Stock and Barbara Jefford in physically, and somehow survivnot been popular since Irving's the main roles. When I went ing the slaughter with his will

Wigmore Hall

Elena Gilels

In addition to being the recital. daughter of Russian virtuoso Emil Gilels, a pupil of Jacob Flier at the Moscow Conservatory and a veteran of tours in Western Europe and Japan, both demanding and unhack-Elena Gilels chose a programme neved for her London solo debut at the Wigmore Hall on

She has a big, easy technique that draws rich, rounded sonorinever forced in loud passages. strong rhythmic passages (most exciting one.

Saturday night.

This planist arrived with in the correct, contained read-brilliantly rendered) excellent credentials, arousing ing of Mozert's quirky D minor certainly be welcome considerable advance interest. Fantasia, K.397 that opened the

And they continued to be the distinguishing features of a performance of Schumann's safest, most traditional ones. enough for one of Schumann's ANDREW CLEMENTS | All these qualities were evident of which were confidently, even

The impression of an introverted, private disposition, of a fluent and careful planist not really eager to communicate to

her audience, was modified in the all-Prokofiev second half Kreisleriana in which all major Five of the Visions Sugitives, interpretive choices were the Op. 2 showed a wider tonal palette and keen, idiomatic Cluar, even right-hand articula- identification with the comtion and strong, bronze tone in poser's vocabulary. The seldom left-hand octaves are not really performed Second Sonata, Op. 14 poser's vocabulary. The seldom was notable for the very straight most ambitious, individual and playing of the marcato Scherze songful works. An understand- and the brilliant planism of the ties fro her instrument. Pedaling is Clear and unobtrusive, contributing to a tone which is a greater variety of accent in but the performance was an exception of the perform

TREVOR BAILEY comments on the FA Cup Final—and some cheering signs for the new cricket season

Brooking shows elegance and craft Neighbours show their character

WEST HAM beat Arsenal 1-0 The Gunners lost because in the FA Cup Final, which their two strike forwards — will be remembered more for Sunderland and Stapleton providing yet another of those Wembley form upsets than for the match itself. The Hammers became the third Second Division club in eight years to con- scoring position. The inclusion

In many ways it was very much a repeat of the 1972-73 final when Sunderland beat Leeds, except that the Second Division side on that occasion was not as talented as West Ham, and Leeds had considerably more to offer than the

Arsenal are at their best and more effective, as they showed in their semi-final saga, when their defence has to absorb intense pressure and they launch the occasional, devastatcounter-attack. Against West Ham they enjoyed too much possession and, finding themselves confronted by a most well organised defence, they gradually ran out of ideas. In the closing stages they were reduced to hitting high

admirable Bonds and a most impressive Martin that neither was able to take up a goalquer First Division opponents of Devine — who had an —intriguingly all by the same unhappy afternoon and was score. of the more experienced and positive Nelson — cost them bite down the left flank. Although Arsenal were well

below their best so that it was difficult to believe that they had knocked out Juventus from the semi-final of the European Cup-Winners' Cup and Liverpool from the FA Cup, West Ham must take much of the credit for reducing their opponents' effectiveness and for capitalising on their own somewhat lucky, but decisive goal.

Trevor Brooking, standing in the path of an off-target drive, intentionally deflected the ball into the net with his head. However, even if there was an element of good fortune about found its way into the net, the move which led up to it, and the way Devonshire took on the

were so well shackled by the entertaining contest but not a half the Second Division club team, were taking the first step classic one.

was appropriate that Brooking should score as he supplied most of the elegance and constructive craft on display, suggesting that even Brian Clough, can err on occasions. His distribution was not only accurate but he was frequently able to upset the opposing defence by doing the unexpected. By contrast. although Brady and Rix both on dribbled opponents and Talbot was forever running with the ball, their final pass was too predictable, and therefore easy to

Once West Ham had scored in the 13th minute, Arsenal began to lay siege to the Hammers goal and the same pattern persisted for the first 20 minutes after the interval.

The heat, the frustration at being unable to make a serious impression on a well organised depth defensive system, and the effects of an overlong them to do just that next year.

of hireatening counter-attacks Benson and Hedges Trophy by usually litiated by Broking. On beating Sussex at Chelmsford. several occasions, they almost scored again nd the 17-yer-old Allen, who really suggested that his club have found somebody likely to maintain the high tradition of Peters, Brooking and Devonshire in midfield, was only prevented by a deliberate trip when clean through to goal. West Ham undoubtedly deserved their victory because bubbled throughout, thev

imagination and finesse. Their manager John Lyall has good reason to be delighted with every member of his side. which was unrecognisable from the West Ham I twice saw struggling unimpressively in the Second Division before Christmas. If they had maintained their Wembley form throughout the season, must heave gained promotion. I have already placed by met on

whereas Arsenal merely ran

and they also showed more

The Gunners lost because full-back and accurately centred season, then began to take their WHILE West Ham were wintheir two strike forwards — just beyond the far post was one toll. The result was that for ning the FA Cup their nearauthority. This pair should material. On the other hand, Although I do not believe this
Sunderland and Stapleton — of the few highlights of an the remainder of the second neighbours, the Essex cricket that the cricket on there is a marked improvement heralds an immediate renaiswere able to launch a number in their attempt to retain the Even more impressive was their fightback earlier in the

week to save the game against of the powerful Middlesex team, in the past. Sussex, when half the side had been laid low by a virus, and their subsequent victory over Kent. These two performances show that, like the Hammers, they possess character as well as ability.

From both an Essex and an England angle, the batting of Graham Gooch has been most encouraging. He looks as if he has crossed, or is in the process of crossing, that considerable gulf dividing the very good county batsman from the true international. We shall cer-tainly need some big innings from him this summer and next winter, if we are to challenge, years.

to New Zealand. I was also able to see Lanca-

largely through a most impressive innings by young Cockbain, who looks a well above-average It is to be boped that he con-

country's promising batsmen, who in recent years have failed to live up to early expectations. I also hope that cricket fol-lowers in Lancashire will not have been put off by the action of Barry Wood, who refused a new contract after receiving an Jack Simmonds, who has been with the club for nearly 20

manager, they should certainly shire avoid defeat at the hands has not always been the case

The enthusiasm for cricket in Wales is considerable. It is noticeable whenever Glamorgan play in Essex how many exiles from the valleys turn up to president-elect of the MCC is tinues to improve and avoids the support what to them is a most welcome. He was arguably fate of rather too many of the national, rather than a county the best post-war batsman this

Since the war, under the leadership of Wilf Wooller, Ossie Wheatley and Tony Lewis they have usually done very well -often rather better than their of purpose, largely camouflaged actual ability warranted, but last by his personal charm. summer everything went wrong. there seemed no reason why they should.

Cammie Smith, who both posses Reidy, I shall be surprised if in their opening match of the fashionable these days.

the tour is played without the in the dressing room atmos- sance, it could mark the beginrancour which disfigured their phere. Under the captaincy of ning of one. The victories must recent visit by the West Indies Hayes and with Jack Bond as certainly have given their new play to their potential, which team much needed encouragement, while the batting from their new acquisition Miandad suggests that Sussex never obtained the best from this highly-talented player. The choice of Peter May as

country has produced and was also an outstanding captain of both England and Surrey, combining tactical appreciation with a toughness an dsingleness

Having had the good fortune enormous benefit, and will support this season's beneficiary single championship match but under his leadership on so many occasions I have no doubt he will prove a great success in It is therefore pleasant to see what is probably still the most let alone beat, the West Indies.

At Lords I had the pleasure of meeting two old friends, Clyde Walcott the West Indian manager, and his assistant, an undefeated certury from manager, and his assistant, an undefeated certury from manager in the control of the fashionable these days.

The is therefore pleasant to see that is probably suit the most important administrative post admittedly weakened Gloucesters in the cricket world. He certainly, possesses all the manager and his assistant, an undefeated certury from run against the same opponents integrity which is not always.

FINANCIAL TIMES

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Rewards in the public sector

mons debate on the appointment bankers' were able to extract for of Mr. Ian MacGregor to British releasing Mr. MacGregor. The of Mr. Ian MacGregor to British Steel will serve a useful purpose if MPs concentrate, not on scoring points off Sir Keith Joseph, but on the reasons why governments have such difficulty in finding people to run nationalised industries. Several well-qualified British managers were asked to take on the steel job, but declined to do so. This is not a new phenomenan. Although British Steel presents peculiarly challenging problems, other public sector appoint-ments over the past decade have been almost equally difficult to fill. Ministers have had to scour the country and the world for recruits and have sometimes had to settle on people who were clearly not right for the job.

Changing rules

There are two main reasons for this. First, many top-flight managers in the private sector do not regard the chairmanship of a nationalised industry as a real job: the objectives are unclear and the rules of the game can be changed from day to day by Ministers and civil servants. Governments have tended to look on nationalised industries not as businesses but as instruments through which to achieve other objectives, whether it is to preserve employment or to knock a few millions off the Public Sector Borrowing Requirement. Second. salary rates are not competitive with the private sector and are subject to political interference.

In these circumstances governments have had to draw to a large extent on people who are prepared to joint the public sector out of a sense of patriotic duty, because they regard it as an honour to be asked or because they like the prestige that goes with it. These are not unworthy motives. That the effect of relying too heavily on effect of relying too heavily on cially the public utilities, will them is to narrow the choice of always pose particular problems potential recruits; younger men of accountability; the pressures in their forties and early fitties on the chairman are greater in are less likely to join the public sector than those who are nearing the end of their business

Humiliating

ing terms which Lazard Freres, work.

deal is extraordinary even by American standards. American executives are often tempted to change jobs by a combination of high salary, per formance-related bonuses and other inducement, but he bene-ficiary is the man himself, not his previous employer. Yet the very oddity of Mr. Mac-

Gregor's contract could make it something of a watershed in public sector appointments. Ministers have said that if he turns British Steel from loss, into profit, the sums involved in recruiting him will pale into insignificance. This implies that, in the Government's view. it is worth paying a very large sum of money to ensure that a job which needs to be done is one. Moreover, the Government has also accepted the principle of relating pay to performance. It is high time these salaries were taken out of the Boyle Committee procedure. The Government should pay a competitive rate for the job, supplamented where possible by per-formance-related bonuses.

Objectives

The other novelty in Mr. MacGregor's appointment is the agreement to establish performance criteria, covering profits, sales, productivity, 'abour relations and other matters; the payments to Lazard Freres will depend on how well he performs against the targets. The Government will be forced to spell out some detail what it wants Mr. MacGregor to do. If the same principle were applied to other nationalised industries, it would go some way towards removing one of the factors which makes these jobs so unattractive—the lack of clarity about objectives.

Nationalised industries, espeapply in the private sector. These pressures can be reduced but not eliminated by decentralisation and in some cases by the introduction of private shareholders. Given the unavoid-In the case of British Steel an undignified and public search for a successor to Sir ment has to ensure that the Charles Villiers had gone on chairman of a nationalised for many months. The Governindustry knows what he is ment's desperation, and the expected to do, has the to do, has weakness of its bargaining resources and authority to do it position, explains the humiliat- and is fairly rewarded for his

Increasing the City's appeal

tween the British Bankers' Association and the Bank of England on the matter of banking liquidity. On one plane able presence in the City these are specialised discus- precisely because of its new sions about banking. The Bank, ownership. vested with new regulatory respossibilities, is inclined to insist that banks in the City of London should match short term deposits—and, in particular, interbank deposits—with a very liquid spread of assets. The banks argue that in their competitive business the Bank's inclination is unrealistic. Such is the measure of disagreement that a compromse will have to

Feared

On another, more general, plane these discussions are a fresh reminder how the style of regulation, or self-regulation, is crucial to the City's future as an international financial centre. On several recent occasions the desire to sustain club rules within City institutions has led to attitudes which are, on the face of it,

The Committee of Lloyd's initially resisted foreign take-over of Lloyd's insurance brokers because it feared that outsiders would not feel bound by club rules. Now it appears to be bowing to business reality and to be letting them

The Stock Exchange, given the abolition of exchange controls for which it had cried so long, tied itself in knots deciding how best to allow its members to make use of their new freedom. Convinced that its powers of self-regulation were intimately bound up with its unique distinction between brokers and Jobbers, it has devised an elaborate and between probably unsustainable system preserve that distinction whatever its members do abroad. The same distinction makes it very difficult for a securities house to foreign a member of the London exchange.

Accepting lecided that the take-over of Anthony Gibbs by Hong Kong one hand and in and Shanghai Bank made Gibbs appeal on the other.

ineligible for membership. The ineligible for membership. Yet the irony is that Anthony Gibbs acquires a more formidable presence in the City

A desire to preserve club rules—reinforced by plain selfinterest—runs through these three examples. Yet that self-interest might best be served in the long run by combining high standards with an open-ness to members from outside. The Bank of England can

hardly be accused of xeno-phobia in the guidelines for liquidity, capital adequacy and foreign exchange exposure which it is now seeking to impose under the Banking Act. Its approach is, if anything, more lenient to foreign banks than it is to British ones. The problem here is that the Bank is markedly toughening its regulation of a business which has a preference for banking centres where rules are lax.

Services

There is today a gradual decline in the international role of the dollar. There is a decline in the dominance of the international banking business by U.S. banks. There is an erosion of the regulatory advantages which have made London the offshore centre for both this currency and these banks since the late 1950s.

These may be some of the easons why London's share of the fast growing eurocurrency business has recently shown some decline.

Another reason is that the banking, insurance and securities businesses are all becoming more diffuse geographically as communications improve, as services become more important within developed economies. and as the centres of wealth and business opportunity shift across the world. The relative decline of the British economy has left its mark upon the City

Under these circumstances the institutions of the City of Recently, the Accepting London, wnemer regulatory. Houses Committee. an elite self-regulatory, have to strike a group of merchant bankers, delicate compromise between discipline and exclusivity on one hand and international













The protagonists (left to right): Lord Wedderburn and Lord McCarthy, who will be challenging the Bill in the House of Lords; Lord Scarnian, the Law Lord who has argued for keeping the court distance from industrial disputes, Mr. Victor Matthews, of Express Newspapers, which last week obtained an injunction against print unions defied by NATSOPA, whose general secretary is M

The unions and the judges

By CHRISTIAN TYLER, Labour Editor

NCE IT is shown that a trade dispute exists, the person who acts but not the court, is the judge of whether his acts will further the dispute If he is acting honestly. Parliament leaves to him the choice of what to do. "I confess I am relieved to find that this is the law. It would be a strange and embarrassing

task for a udge to be called upon to review the tactics of a party to a trade dispute and to deter-mine whether in the view of the court the tactic employed was likely to further or advance that party's side of the dispute. "And the difficulties which have beset the Court of Appeal in their attempt to formulate a test are a persuasive argument for keeping this act of udgment in the industrial arena and out of the udicial forum.

"It would need very clear language to persuade me that Parliament intended to allow the courts to act as some sort of back seat driver in trade

-Lord Scarman, giving judg-ment in the House of Lords in Express Newspapers v McShane.

Arbiters in disputes

The authority of the British courts is once again being challenged by trade unionists. This time there is no trade dispute — Wednesday's "Day of Action" can only be described as a political protest—so Lord Scarman's remarks do not bear directly on the legal action brought by Express Newspapers last week against printing union court. leaders. But what Lord Scar- Whi man has done, in a judgment in one of the most important days strongly suggest that all labour law cases of recent times, is to expose again the roots of a contriversy that is now raging because of Government's Employment Bill. How far should judges be called on to act as arbiters in industrial disputes?

week has put the question even. more acutely. And, depending on further developments, it could also put trade unionists in jail for the second time in eight years.

NATSOPA and the other shocked by this unresolved distrade unions admit there was no trade dispute to justify their advice to member to stop work on the day. But they went on to contrast the technical illegality of their advice that members should break their contract of employment with what they called "the hard-fought-for right to freedom of assembly" or "the right of trade unionists to withdraw their labour."

This motif runs right through

the TUC's many submissions on the Employment Bill. While trade union leaders have been careful to avoid saying that they do not respect the law, they have warned that they may be "forced" to become outlaws. For example, when tackled on this point by Conservative backbenchers in a recent session of the Select Committee on Employment, Mr. Harry Irwin, of the Transport Workers, declared there were occasions when defiance of the law by trade union members was The implication, again, was that there are unwritten rights more sacred than the restrictions imposed

by statute law. At the same time, a judg-ment last week against Granada Television requiring it to disclose its source of information inside the British Steel Corporation has been quoted by trade unionists as support for their own case. If, they say, it is right for a journalist to go to jail rather than surrender the identity of his sources, then it is no less right for a trade unionist sometimes to defy the

Whatever the merits of such arguments, events of recent the 1971 Industrial Relations Act are resurfacing - even before the Employment Bill that seeks to put new curbs on trade union behaviour reaches the Statute Book. Not that the The defiance shown by hostility was very far below the the print union, NATSOPA, to Mr. Justice Griffiths' order last ments of Lord Denning in the Appeal Court — often as not overfurned on appeal to the House of Lords — have kept the issue on the boil. Foreign observers of the British scene may well

European countries have legal frameworks for industrial relahis Bill. (In the U.S. the framework is even tighter, but the law is widely flouted by unions and employers alike). This has prompted Mr. Prior and his colleagues to ask whether it would not be better to replace trade union immunity for civil proceedings during certain kinds of

Continental model The solution adopted by the last Conservative Government was to create - again following overseas example — a special labour court that it hoped would win the confidence of both sides of industry as it set about applying, in informal surroundings, the provisions of the bold 1971 Act. But the National Industrial Relations Coprt was ignored, found itself obliged to send five dockers to jail and to sequestrate the assets of the Engineering Union so that it ended its lfe — in the view even of some of its own members — as a threat to traditional British respect of the law.

pute between organised labour to be no NIRC. Mr. Prior does and the courts. After all, many not particularly want or expect employers to flood the High Court with the kind of action tions every bit as tight as that that it would be open for them proposed by Mr. James Prior in to launch when the Bill becomes law. But the signs are that employers are increasingly ready and anxious to seek redress: the decision of Mr. Victor Matthews, chairman of Express Newspapers to seek an injunction against five trade union officials for inducing breaches of contract for politiindustrial action by a charter cal ends is not entirely unpre-of positive written rights on cedented (a similar case was made by newspaper proprietors against SOGAT in 1970) but it

is certainly symptomatic of the present mood. There is a feeling, too, that the unions, politically powerful durin gihe Labour Government, are now on the run. Shop floor revolts against militant policies, demands for secret ballots and now widespread rank and file reluctance to obey the TUC's call on Wednesday all seem to point in that same direction. ful means." Nor is the Opposition in much

shape. With an unassailable majority in the House of Commons and with its natural advantage in the Lords, the Government is exp:ected to have

INDUSTRIAL RELATIONS LEGISLATION

1971—Industrial Relations Act (Conservative). Set up National Industrial Relation Court, virtually banned closed shops, provided for emergency strike ballots, introduced legally binding agrees, and registration of trade unions. Concept of trial practices " for adjudication by NIRC.

1974-Trade Union and Labour Relations Act (Labour). Substantially repealed IR Act, but Conservative amendment of commercial contract from legal immunity.

-Employment Protection Act (Labour). statutory procedure for trade union recognition and extension of "fair wages" principle.

-Trade Union and Labour Relations (Amendment) Act (Labour). Repealed sections of TULRA 1974, narrowed closed shop exemp tion clause, gave specific immunity to breaches of commercial contract in trade disputes, and provided for Press "charter" to deal with Press freedom and closed shop controversy.

shop exemption, limits lawful picketing, offers public funds for secret union ballots, repeals parts of EP Act 1975, including statutory recognition and "fair wages" procedures; withdraws ancion and tar wages" procent amendment) immunity for m

This time, therefore, there is no difficulty in getting the o be no NIRC. Mr. Prior does Employment Bill onto the ot particularly want or expect Statute Book by the end of July. The Bill goes to the Lords carrying a number of minor amendments from its Committee

> the Government designed to prevent trade union members exerting indirect economic pressure against an employer with whom they are in dispute. It is against this proposal, in-volving a fundamental but technically complicated change to trade unions' civil immunities. that the TUC had directed most of its fire. There will be more salvoes in the House of Lords

Stage in the Commons and a

major amendment introduced by

where industrial relations academics such as Lord Wedderburn and Lord McCarthy will try to shake the Government. One argument likely to be deployed is that the amendment would restrict direct as well as indirect industrial action, despite the draftsman's efforts to provide clear statutory language, by reimporting

this area the notion of "unlaw-

Again, the argu-

ments are technical, if not obscure. A second prong of the attack will be directed at the Govern-ment's restriction of lawful picketing to the place of a dispute and (with some exceptions) to people involved in the disoute. The question here-one in which the Select Committee whether Mr. Prior's new civil has shown great interest—is laws will lead to more criminal rosecutions, Chief Constables have told the Committee that they do not expect to be involved: it will be for

like obstruction. Government spokesmen do not expect the Bill to suffer in the Lords any more than it has done in the Commons, where the Opposition Front-benchers made virtually no impact except in more peripheral areas such as ante-natal provisions for working mothers.

civil restrictions are bound to

means more arrests for offences

Indeed, the liveliest proceedings in the Commons were due amendments launched by

does Mrs. Thatcher herself) that the Bill should be going much

further than it does. "Secondary" action, picketing and the provision of public money for secret ballots have been the subjects of most pub-lic interest. For most employers and union members, the sections dealing with individual rights—currently embodied in the Employment Protection Act of 1975—will be more relevant to the daily conduct of industrial relations.

Protest from employers

In this section of the BIE there is only one argument that could still surface: whether or not pay claims based on the going rate for an industry or area should still be subject to statutory arbitration. After protests from the Engineering Employers' Federation that its national minimum wage agree-ment could be undermined by the repeal of this "fair wages" schedule of the Employment Protection Act, the Government extended the period set aside for consultation. It remains to be seen whether its decision to repeal the whole schedule is absolutely final.

Even when the Bill becomes law, the debate will continue-a debate which Mr. Prior himself has welcomed. The Government is committed to a wider review of immunities in a Green Paper due at the end of the year. Ostensibly, that is to pacify the back benches—and some an employers to bring action the back benches—and some on against, for example, "allen" the front bench, too—and con-pickets. But the TUC has sider what further legislation warned the Committee that the will be necessary.

on getting his way there would be no more legislation of the present sort. There might be instead a few sugar lumps for the battered TUC cart-horse, designed to win the trade union moderates over and restore relations. To some extent, the Employment Secretary is at the mercy of the unions as well as of the Cabinet. A rough winter of wage strikes would probably scotch that strategy—and it is already easy to find Conservative Right-wingers on people predicting the worst.

Looking for eminence grise

Some genteel behind-the-scenes lobbying of Labour's intelli-gentsia is about to take place for the presidency of the Fabian Society, following the death at 87 last week of Dame Margaret Cole, one of the grandes dames of the Labour Left, and friend of the twin stars in the Fabian firmament, Sydney and Beatrice Webb.

She had been president of the Fabians since 1963 and in many ways personified the society's traits, not least in remembering to leave her body to medical science. Nursing the distinctive faith in research and the hope that a good pamphlet would solve much, if not everything, she also had that endearing way of speaking her mind in a polite 1930s

The question of who, if anyone, will replace Dame Margaret has proved anxious thoughts in Hampstead and its leafier environs. Two front runers emergre. Tom Parker, 73-year-old Labour MP for Bark ing, is one of the doyens of active Fabianism, having been in the House of Commons since 1935. He has been the Fabians' vice-president since 1972. Members who were scattered through Labour Governments since 1964 seem, however, to be plumping for Sir Harold

Wilson. Bill Rodgers, Labour's shadow defence spokesman and a onetime general secretary, sees the appointment of a new president as a mater of honouring one of the members rather than filing a vacancy. "We've often done without one," he told me yesterday. He agrees that it should be someone "long on experience and pretty advanced in years. Sir Harold is on obvious choice." e

-active Fabian, Another curiously, Anthony Wedgewood Benn, eh sits on the executive. Given the shortage of candidates, was Benn, a possibility? The Bilton family holds about do. First drink the champagne, "Oh no," says Rodgers. "Incon- 36 per cent of the equity in then bury the hottles in the



thought Arsenal were going to force a draw?

ceivable." Although he feels Ben's style of "bringing origality into politics" consort with Fabianism, it would be proper" for a president to be in the full flood of his political

Donald ducks out With the unexpected return to

South Africa of Donald Bilton.

the property and housebuilding

group Percy Bilton (founder and chairman: Donald's Dad) has lost the man widely tipped to become the next chairman. Donald, Percy's eldest son, came back to join the board at the request of his father about two years ago. Having spent much of the intervening time sorting out his South Afri-ean farming interests, he has decided that they need his fulltime attention. The winds of change are still blowing strong, and were no doubt an important factor. A somewhat less flamboyant character than his father, Donald Bilton stepped down-almost unnoticed-as an executive director a few months

ago.
The Bilton family holds about

the Bilton group; its whollyowned properties were last week valued at £118m, a rather conservative estimate, according to

some.
While the decision of "Mr. Donald" to leave upsets plans the head of the boardroom table. I hear there are several first and second generation Bilton, who might be prevailed on to fill the breech. Mean-while, the effect of Donald's departure is mitigated by the presence of joint managing directors Ronald Groom and Alan Smith, who have capably held the fort with the octogenarian Percy since 1968.

Weasel ways Lawrence Hills, doyen of eco-

logical gardening, is busy trumpeting the virtues of weasels as a suitable accompaniment to compost and organic fertilisers. Apart from weasels' highly effective raids on rabbits and hares, their droppings are said to be all the rage among more progressive elements of the lended gentry. "Dry and easily handled" weasel droppings deposited down the runs of unsuspecting moles will apprently keep them away for weeks, leaving the croquet players above ground with the

players above selves. Research Association of 7,000 organic gardeners, which Hills runs, will shortly be publishing a paper written by a naturalist member on the virtues of weasels.

Who is the weasel-fancying naturalist? "I'm keeping him dark," says Hills, "because he knows the kind of publicity he would get-IV and all the rest of it. He doesn't want it. Science never forgives a bestseller." My own non-chemi al methodof making war on moles was learned from a Danish count in northern Jutland. It involves a high corsumption of champagoe, though wine or even Tizer might

greensward with just the necks showing. As the wind blows, a hollow whistling sound is produced. Both my Danish friend and I are convinced that this induces absolute terror down below. Another advantage is that to instal that specific Bilton at it makes the lawn quite unsuitable for cricket, croquet and other over-energetic activities which do so much to spoil a

Still partners

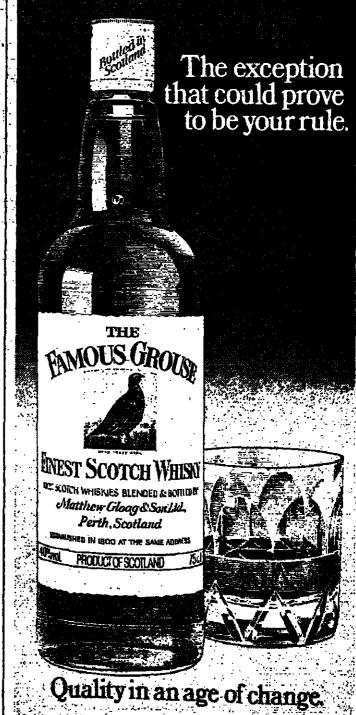
Contrary to the impression conveyed last week, Rothschild Investment Trust does retain more links than a shared telephone number with the merchant bank, N. M. Rothschild. Jacob Rothschild tells me that RIT owns 111 per cent Rothschild Continuation Limited, which in turn owns 100 per cent of the bank:
"N. M. Rothschild owns
approximately 7 per cent of
RIT, so it also is a very substantial shareholder. I am a director of Rothschilds and also chairman of RIT, so there is a remaining link over and above

Cafe-cutback

Much as they seem to dislike her, the French have taken a leaf out of Mrs. Thatcher's bok in reducing the degre of State interference where it really counts in this instance in the Economics minister Rene Monory is removing price controls from two of the best buys in France—the demi and the sandwich. But experts predict few riots. As one cafe-owner explained to my man at the bar: "I have to limit the price of two sandwiches, one cheese, the other sausage. I go for garlic sausage and melted cheese. People don't seem to like them." Interestingly, however, coffee, mineral water, lemonade, fruit

drinks, milk and syrup.

Observer

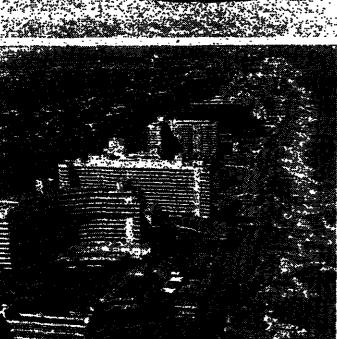


هكذامن الدُصل

BUSINESS TRAVEL

The world is getting smaller for business travellers as it becomes easier to get from one part of the globe to another. Although many services such as hotels and air flights have been geared to their needs—and are being improved to the general benefit—delays and other frustrations of modern travel remain.





Huge efforts o woo custom

By Arthur Sandles

Travel Correspondent

THERE ARE times when the business traveller feels a little like a good marriage prospect: someone to be wooed with flattery and promises and then treated badly when they are hooked. There is certainly little doubt that if business travel was like the advertisements say then all the world would be fighting to become part of the international sales corps.

The reality, ufortunately, is often one of crumpled suits, crowded airports, sticky traffic jams, jet lag and hamburgers.

.To get the business executive away from all this is not, in fairness, just a dream on the part of hoteliers and airlines. The business travel market is a huge one internationally—the bedrock of the travel business. Winning the loyalty of such market is an essential part of any travel industry marketing

Customer loyalty, encouraged by promotion and retained by everything from service to discounts and credit cards, is a recurring theme in all aspects of business travel. The business traveller is indeed regarded as

quite a catch. The reason fort his affection for the business community is that the market is one which shows remarkable stability. The vagaries of fuel crises and currency fluctuations have an effect, of course, but to nothing like the extent that they have on pleasure travel. In areas of political disturbance it is the business people who are the last to leave and the first to return.

To this basic stability is allied willingness to spend money at a somewhat faster rate than is the case with holidaymakers. The negatives in this seem-

ingly attractive formula are mostly centred on hie fact that the business community is considerably more demanding than the leisure traveller. Service must generally be good and standards high.

Consistent

Most of the success stories in the business travel industry are based on the ability to provide consistent standard often in widely-varying locations. A lot of hotels, travel agents and even car rental companies abandon the task of serving the business community simply because of the demands of the customers in this field.

There are many reasons for the consistent strength of the business travel market.

geographic expansion of cor- secret of success and many bullied into going for the presporate activities. Companies people in the travel industry tige brand names. which were once confined to one country, or even one area of one country, are now spreading their activities over a much

Once this spread has started it is extremely difficult to stop at short notice, regardless of what happens to currencies or costs. Even where such changes take place they are often only changes in flow.

against the dolar, says that during the past year or so the loss of U.S. business from Americans visiting Britain to buy has been made up by a rise in the number of sales people arriving eager to take advantage of the new posi-

added to the business travel bow over the years. Conference and exhibition travel was a major growth market in the 1960s and 1970s and even now shows a surprising resilience in economic

Incentive travel, a major market in North America, has away than the nearest phone shown gradual development booth, says Bell Telephone and elsewhere, but perhaps not in the spectacular fashion its proponents once suggested might.

Basically the business person is both loved and hated in the travel world; loved for his custom and hated for his demands. But what are these demands that the business community makes? Well, there have been business travel market. Not various investigations into this service, may be well advised to least of these is the continued subject—it is after all the shop around before being

would like to find the key.

In fact most of the demands come down to two words—availability and speed. The business traveller wants a room, a car, an airline booking, a meal or a telephone call quickly, and that "onickly" has to be at any hour of the day or night.

Most criticisms of service tend to be over delays rather than anything else: check-in Trust Houses Forte, for delays at airports, the often example, discussing the impact appalling delays in check-outs of the strength of sterling at hotels, the long waits for delays at airports, the often appalling delays in check-outs room service coffe and the rush for cars as the 747 discorges its full load of business visitors at a badly-designed airport.

Battle

The battle to cope with these complaints is a major field of operation for those in the travel business.

Join the No. 1 club and we will cut down the wait for a car, says Hertz. Be part of the Executive Club and you never need see our cashiers, says Hilton. Get one of our credit cards and your office is no further pretty well every telecommunications service in the world.

The dilema for the business traveller concerns the question of whether the cost of all these facilities,' which is inevitably built into the rates, is justified. The traveller who does not ned a rental car that can be left anywhere, or an hotel room with hot and cold running room

وكذامن الأحل

It is by sensing that there was such a market that a further stratum of international companies has developed in the past couple of decades, com panies and co-operatives which are built on a more modest range of services and, they would argue, more modest tariffs. Such names as Budget, Thrifty and Dollar have grow strong in the car rental field just as Holiday Inn, Travelodge and Best Western have done in the hotel industry.

It is, however, in his experience of airlines that the traveler finds most room for delight and despair. It is a rare regular flyer who does not have some horror stories and a few pleasant tales.

Airlines have done a great deal to encourage business travel but at the same time have gone a long way along the road to alienate it by ignoring the basic principle that he who buys the most should pay the least. In flying the more you do the more you are likely to pay.

The prospects for the business travel market over the next few years look to be set fair, in the sense that they are neither good nor bad. Commercial activity may be depressed but so deep is business committed to long-distance trading that any substantial cutback on travel would be extremely difficult to achieve. What is likely to take place, however, is a greater emphasis on cost control.

Prospects for the business traveller, however, look relatively rosy. There seems little to be even mor doubt that hotels and airlines in the future.

Air trave Airports Railways Travel agencies Credit cards Moving funds Hotels ٧l Taking your car YII Information services Incentive travel Exhibitions

will be unable to sustain their tariffs at evels which will match the inflation rate. When things are booming hotels tend to maximise their margins; when things are bad they have to suffer rate as well as volume

Benefits

All this is happening, and likely to continue happening, at a time when the holiday market is shaky. Thus the travel industry is putting more effort into the business field.

In theory the business traveller should reap the benefits of a buyer's market as a result. It does not mean that the flight will necessarily always leave on time, or that room service will actually deliver breakfast when requested. But it does mean that he is going to be even more heavily wooed

INETO AT

Delta's the only airline with daily nonstops between London and Atlanta, Georgia. Every day, Delta Flight 11 leaves Gatwick Airport for Atlanta at 1205. You fly aboard the Dash 500 model of Delta's Wide-Ride Lockheed L-1011 TriStar, powered by Rolls Royce engines.

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Egon Ronay's Lucas Guide 1980 rates Delta No.1 between the U.K. and the U.S. Higher than any other transatlantic airline for personal service and accommodations, in flight and on the ground.

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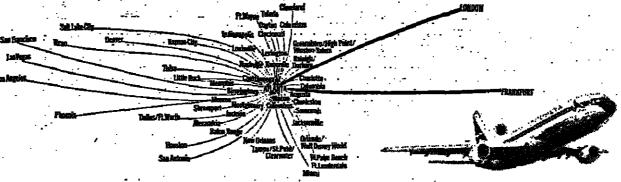
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*All fares listed are for Basic Season.
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Airport delays are inevitable

FOR THE businessman who buildings also. travels extensively, the problem of negotiating his way through airports round the world has become one of the less attractive aspects of any

This is not just a problem of congestion, although at many airports this is becoming severe—for example at London Heathrow. If both scheduled and non-scheduled traffic are taken together, it is estimated that more than 1bn passengers are now flying throughout the world

While last year the expansion was 10 per cent, this year it i expected to be rather lower, perhaps betwen 5 and 7 per cent. But there will still be enough ties in many western countries. as a result of economic difficuladditional passengers to cause problems for airport planners and travellers alike.

Contributing to this problem of congestion, apart from the rising volume of traffic, are several other factors. One is that because of vociferous environobjections in many Western countries, involving communities round airports, it has been almost impossible for the planners to extend airports to keep pace with the growth in demand.

As a result, in many Western countries, some airports are ings and ancillary facilities such aiready too small to cope effectively with the traffic they have baggage handling services. to bear, and the pressures will become even more severe with the inexorably rising flow of passengers expected through the 1980s and beyond.

In many countries of the Western world, the environ-mental objections have already become so severe as to make it fees); it nonetheless remains a almost impossible to lay down new runways at any existing But congestion is not the only airport, while in some places it reason for the difficulties enis becoming increasingly difficulties difficulties enished by passengers moving

The classic examples of such difficulties can be seen in the recurrent debate, which has now lasted for over 20 years, on how to cope with the growing volume of air traffic serving London and south-east England. It has taken a major Public Planning Inquiry a major runic rianning inquiry to win approval for the fourth terminal at Heathrow. Another such inquiry is under way into the proposed second terminal at Gatwick Airport, south of the metropolis, and another, simi-lar, inquiry is planned on the proposed Stingted Airport in

proposed Stänsted Airport, in Essex, to the north-east of the The strength of the environmental lobby in the UK is such that it is by no means a fore-gone conclusion that there will be a third major airport for London at Stansted. It may wel be that the Maplin plan for an airport on reclaimed land off the Essex coast will have to be revived, whether the airline and

travel industry like it or not. Another contributory factor to current congestion is the airlines' own desire—often sup-ported by the passengers them-selves—to arrive and depart at certain times of the day, mainly the early mornings or early evenings, thereby creating peaks which strain not only runway capacity but also terminal build-

While many airlines are now trying to solve this problem by scheduling their aircraft to arrive and depart at less congested times (often with the encouragement authorities through cheaper landing and aircraft parking

serious problem.

has been put into making airports clean and bright places at which to start and end an air journey, it is a fact that in virtually every country every airport is designed differently so that no one airport is quite like another. Thus, a passenger making a journey encompassing several different countries frequently finds himself confronted by an almost bewildering array of different airport systems, with signs in different languages, and different techniques of customs. immigration and

Uniformity

Efforts have been and are still being made by such bodies as the International Air Transport Association, representing the airlines, and the International Civil Aviation Organisation (the aviation technical agency of the UN), to introduce some measure of uniformity into airport design, but it is difficult for cate the natural desires of some countries to make their airports symbols of their own national. sovereignty and character.

Some also have allowed their designers and planners free reign, and some stranglely futuristic designs have emerged in recent years, such as the circular main terminal at Charles de Gaulle Airport, Paris, whose hollow core is crisscrossed by tubular glass and steel passageways conveying bewildered passengers from one level to another in search of either their baggage or their

It is perhaps significant that abandoned the circular design still in its comparative infancy

ports throughout the world. ... concept of terminal buildings on While, to be fair, much effort either side of a central main access road.

Similarly, at Heathrow the original concept of a central terminal area, linked to the outside world by an access tunnel passing beneath the runways, has proved inadequate to cope with the traffic it now has to bear—it is nearly at saturation point of 30m passengers a year.

As a result, the British Airports Authority, for the fourth terminal now approved by the Government, is obliged to move back to the edge of the sirfield, with a large new building on the south-east side. This should make for easier access for the 8m passengers expected to use the new terminal every year from the mid-1980s.

The overall problem, of course, is that air travel has always developed much faster than the planners expected, with the result that their fine buildings of marble, steel and glass are frequently out of date even before they are completed these bodies to entirely eradi- and in full use. Consequently, at nearly every major airport throughout the Western world, construction never ceases, and there is always something new being added, or something heing improved, wherever one flies.

There is no reason to believe that this situation will change, except in a very few places in the world where the planners. with unlimited cash at their disposal, have taken a big jump into the future and designed terminals that should be able to cope with traffic up to the end of the century and beyond. Examples are the new airports at Jeddah and Riyadh in Saudi Arabia.

In many of the underat Charles de Gaulle, the In many of the under-planners. in developing the developed countries of the Third additional terminals there, have World, where air transport is

but developing rapidly, sixports remain primitive places, with limited facilities for travellers. Much of the £40bz that is expected to be spent worldwide during the 1980s on sirport developments of all kinds is likely to be spent in these countries, and it is there that most scope exists for the airport designers to achieve the uni-formity of passenger and baggage handling systems that

is so lacking in the West. In the U.S., where air travel is much more accepted as a way of life than elsewhere, such facilities as kerbside check-in, "executive express" channels that separate businessmen from other travellers, and "trickleloading" of aircraft as pas-sengers check-in at the gate, are commonplace. They all help to avoid that irritating last-minute crush of passengers trying to squeeze into the aircraft at once that is all too frequently seen in other patrs of the world, and delays.

Contrary to some travel-lers' beliefs, the majority of airport authorities and planners are concerned to avoid unnecessary congestion and delays, which cost everyone money.

The biggest single contribukind of international co-ordination, not only in airport design, but also in handling technique and especially in the elimina-tion where possible of customs and immigration formalities countries of the EEC).

The airlines are trying to do: it through the IATA, but so far: there is little real evidence of similar efforts by the alreort authorities themselves or their

Michael Donne

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Cabin class moves made by airlines

travel, was on providing many new types of cheaper fares to operators, and there is little doubt that the type of passenger travelling by air broadened considerably, with many more coming from lower income groups than might other-

wise have been the case had the cheaper fares not been intro-

But this cheap fares "explosion"—in the form of Budget Class. Stand-By, and other pro-motional rates — had one unexpected result, an increase in the volume of disgruntlement and complaint from those paying the full Economy Class rates who found themselves travelling in the same cabins and receiving the same kind of inflight service as those flying at cheaper rates. For some time, the airlines appeared to be either unaware of this, or to find it convenient to ignore it in their-desire to satisfy the large, new, untapped market of

low-fare travellers. But, as economic conditions have become tougher, the air-lines' attitudes have changed. They have at last recognised that while it may be beneficial in some ways to cater for mass travel, it is still the substantial volume of businessmen who underpin the scheduled services.

Willing

Many of these business travellers cannot afford to pay the very high First-Class rates charged by the airlines, but can and are willing to pay Economy Class rates, because by so doing they can still get the benefit of flexibility (that is, they can switch their bookings between different airlines and different flights as they wish), but at a time, it is clearly unreasonable to expect them to travel in the same compartments, and have the same in-flight service as other travellers paying much less for the same ride. Thus, the airlines have " three-class "

concept of air travel, which is spreading rapidly among major long-haul operators. Broadly (apart from Concorde, which is in a class by itself), at the top of the pyramid is First Class, at a premium fare, for which the traveller gets spacious seating, considerable personal in-flight service, with copious food and unlimited drink, and a higher ratio of staff to passengers. On some airlines, such as Singapore Airlines, Philippine Airlines, and Japan Air Lines, beds are also provided for First Class passengers, while in other air-lines a reclining seat of superior comfort, such as a "Sleeperette," is often provided.

Next is the specialist class of travel which can best be described as "Second Class,"

OVER THE past two years the although the airlines universally under way with Iberia of Spain, major scheduled airlines have refrain from adopting that Alitalia of Italy, Austrian Airshown a welcome resurgence phraseology, preferring instead lines and Scandinavian Airlines to call it "Club Class," "Busitraveller.

For much of the 1970s, the Emphasis in scheduled air travel, basically it comprises a cabin and especially long-distance retrain from adopting that Airlines lines and Scandinavian Airlines lines and Scandinavian Airlines System. British Airways is thus ness Class," "Frequent Traveller confident that the new "two-lemphasis in scheduled air travel, basically it comprises a cabin have spread to other routes and especially long-distance immediately behind the First before the end of this year. Class cabin, with Economy Class seating, but a more generous stimulate the mass travel supply of food and drink than market. This worked well for is available in the rearmost or "Tourist" cabin, where inflight service is minimal, scating is tightly packed (nine or

> The airlines do not describe this last form of travel as "Third Class," which is what it is, but adopt instead different titles such as "Discount Class" or Economy Section."

very low.

even ten abreast on some wide-

bodied jets), and the prices are

So far, the system seems to be working well. British Airways, one of the first airlines to introduce it, says that it has been successful on the North Atlantic. where it is called First, Club and Tourist, and it has now also been introduced on the Hong Kong route and will be extended further this summer to other parts of the network.

Lufthansa is providing Business Class cabin on its Polar and Siberian routes between Europe and Japan (from April 15), following the success of this type of travel on its flights between West Germany and the U.S. and Canada. Among the benefits in this class of travel are free drinks, a wider selection of magazines and newspapers, and free use of in-flight entertain-

Qantas, the Australian airline, from May 1 is extending its Business Class service to all its flights between London and Australia, and British Airways will follow suit soon. Qantas-has introduced "Sleeperette" seats on its Australian flights for first-class pasengers already.

On the short-haul routes, this concept of giving the business-man a better deal has gone much further already, with the introduction of an experiment by British Airways and Air France on the London-Paris route whereby First-Class is abolished entirely, and replaced by a new Club Class of service, so that there are only two classes of travel — Club and Tourist.

The Club Class fare is £55 single, and the Tourist Class fare (called Eurobudget by British Airways) is £42.50 single, although there is also a Eurobudget Excursion return rate of £65. By comparison, the former First-Class single fare was £71. Air France is charging the same fares, and participating in the experiment not only on the London-Paris route but also London-Nice. So far, the results are reported by both airlines to be encouraging.

Eventually, British Airways wants to extend the concept to all its European short-haul routes, and it said recently that other airlines, such as KLM of Holland, and Sabena of Belgium, were showing par-

The difference between the two classes is again one of comfort, and of the quality and quantity of in-flight service. In the Club Class, the passenger gets separate check-in, free drinks, free meals or snacks depending on length of flight, and the full First-Class baggage allowance.

In the Tourist-Class cabin, the passenger gets no in-flight service, although some beverages may be served on the longer flights, but he does get the cheaper Eurobudget fares. But in both cabins, the seat size will

Flexible

British Airways says that with this system, it will be able to carry more passengers on each aircraft—the TriStars will carry 359 (126 Club and 233 Tourist). the Trident 2s III (39 Club and 72 Tourist), and the Cuper 737s 114 (45 Club and 69 Tourist).

Another benefit is flexibility according to demand. Normally, about 30 per cent of an aircraft's capacity will be given over to Club Class, but the amount would vary according ao the route flown and the time of year. A flight to the Mediterranean in the summer, for, example, would have propor-tionately more Tourist Class passengers than say a flight to Frankfurt in mid-winter, which would be predominantly Gub Class for businessmen.

British Airways justifies this experiment by pointing out that. the airline carries about 3.5m businessmen a year on its Euro-pean routes, but that the pro-portion of First Class travellers among them is decliping—whereas 20 years ago 81 per cent flew First Clas, today it is only 31 per cent. Research had shown British Airways that most business travellers flew at the full economy fare and resented sharing the cabin with leisure travellers paying much

Beyond these experiments with fares and types of in-flight service lies the possibility of improvements to the quality of handling on the ground. For short-haul European flights, British Airways is trying to interest the other European in starting no-reserno-frills Shuttle-type especially to Paris. vations, flights. Brussels and Amsterdam, simila to those now operated between Heathrow and Glasgow and Edinburgh,

If this does become possible and it depends upon the willingness of the other European airlines to follow BA's lead — it shoul do much to speed travel on those routes. where much of the overall journey time is at present journey time is accounted for by waiting in airport lounges.

Michael Donne

Able High-speed trains challenge air routes

LORD BEECHING did British cluding those for commuters. days of Lord Beeching's cuts. Rail a favour 18 years ago when Last year Inter-City increased Last year British Rail ad he wielded his famous axe.

slump in confidence to a level cent on 1978—of total passenger well below the sleepers in the revenue. lines that remained.

awakening fro in the numbress often unreliable and sometimes that the Beeching cuts brought, autmoded trains of our inner British Rail has emerged as a city and suburban areas, thoroughly dynamic transport eulogies for niter-City may industry—at least on the Inter-City routes—and one that is the frustration. They see British rival of our partners in Europe, certainly in terms of its financial performance and its success with intense commercial

marketing campaigns.
To quote Sir Peter Parker, the present chairman: "The time of the railways has come

Inter-City is invariably cited as the success story of British Rail, while the other operational sectors such as freight an othe commuter services are rarely talked about in the same

is almost as important as the show that British Rail other passenger services, in-

35

and Dor

its revenue from passengers by The immediate result of the 11 per cent to account for cuts in lines and services was a £388m of the £800m-up 14 per

But to the harassed com-But in the process of re- muters on crowded, often dirty. serve only to increase their Rail's investment as invariably directed to Inter-City routes and its much sought-after business traveler customers, while their own services—with notable exceptions where new trains and electrification have revived

morale—deteriorate further.
British Rail defends its apparent concentration resources on its Inter-City ser-vices by referring to the revenue earning potential of Inter-City and how this can benefit the entire system.

But across the pasenger busito explaining the frustration
ay.

But across the pasenger busito explaining the frustration
now felt by many regular comalmost as important as the show that British Rail has muters over investment advanced dramatically since the

Last year British Rail added 800m pasenger-miles to the 1978 total to make a total of 19.9bn passenger miles the largest number since the days immediately before the Beeching axe, in 1961, when the rail network was 30 per cent larger and Britons had 7m fewer cars on the road.

In terms of passenger journeys, last year saw a total of 736m journeys recorded—the highest level for seven years. British Rail attributes its success to the introduction on an outstanding success for BR. a large scale of the 125 miles an hour high-speed trains and

improved marketing of existing

But of the £800m of total passenger revenue last year, earned on train services on 11,090 ruote-miles, only about a quarter came from business travellers. One-third is estimated to come from commuting, a figure which may go some way

The balance comes from social and leisure travel.

the traveller is courted by British Rail with a zest unmatched by continental railways and almost unmatched by Britain's domestic airlines, which are often regarded as the railways' main

Business travel is important to British Rail largely because most of this group of travellers pay standard fares, often first class, rather than the range of special offers which have been

The incentive to do a business trip in one day rather than spend a night away from home in what may be a soulless hotel room has distinct financial benefits, too. British Rail estimates that an overnight stay in an hotel could double the cost of a return rail fare.

the longer Θn though, especially between London and Scotland, rail is by no means the automatic choice, although it may become more so if and when the 150 mph Advanced Passenger Train now on trials-enters service on a large scale.

The estimated Euston to Glasgow time on the APT when it enters trial passenger services the summer is four hours and 10 minutes. This compares with three hours, city centre to city centre, by British Airways'

At the moment 83 per cent of all business travellers between London and Glasgow go by air. British Rail expects to gain between 10 and 20 per cent of this air market for business travellers when the APT is in full timetable operation. About 75 per cent of airliner have said in a survey they will

possibly along the lines of the Concorde bookin facilities at Heathrow Airport. British Rail will provide special check-in desks and boarding cards at both terminals and this will help to overcome the problem of timeconsuming queuing which often

negates the advantages of highspeed rail travel. Investments such as the APT are now urgently needed by British Rail to replace main line rolling stock bought in the early 1960s. Punctuality and reliability of services have

> the standards of catering on its inter-City trains has slipped. The Central Transport Consultative Committee, the public watchdog keeping an eye on BR standards, said the high rate of failure to maintain advertised train catering ser-vices was a matter of "major concern." Eight per cent of these services, on average, were not provided last year, including those on some of the longest journeys to Scotland.

started to suffer as this stock

is most of the time, the stan- coping with an executive's busidards of food and service are still praised by young and older travellers alike. Most would agree that the British Rail early morning kipper has no rivals, through company accounts, despite the £4.30 charge for a British Rail bills the company BR breakfast.

Busines travellers often suggest that continental railways offer higher standards of service. Some do, but only on a handful of special, high-priced trains, while British Rail strives to maintain its standards on services that are much more frequent, and generally of shorter duration.

The much-improved catering and cheerful bars at many

British Rail hopes to stream-stations are another sign of line booking-in procedures for British Rail's efforts to please the traveller and provide what

The journey time of three hours or less is one of the reasons British Rail has not pursued the idea of installing telephones on trains-and perhaps there is no need if the standards which applied on a certain Scotland to London express are anything to go by.

The train was forced by technical trouble to stop for some time at Crewe, but rather than allow frustration to build up as passengers waited anxiously, a railman walked the length of nears the end of its design life. the train taking messages,
British Rail also accepts that which he transmitted from the station for the passengers.

British Rail wants companies to regard rail travel as the best value for money in terms of convenience, time, and the avoidance of car travel and the stress which inevitably accompanies it. The problems of long-distance driving are cer-tainly getting no better and in the case of persistant motorway repairs, may be getting worse.

Many companies find the simple rail account that BR However, when the services will arrange with any company are provided which of course a valuable and easy way of cent of the estimated £200m now spent by business travellers on the railways comes mat 28 days credit period.

> There are three main strategies for increasing the use of rail for business travel. First, British Rail aims to persuade new companies to use the railways; second, it is campaigning to urge existing travellers to travel more; and third, it wants more travellers to go first class.

Lynton McLain

All in a days work for KIM

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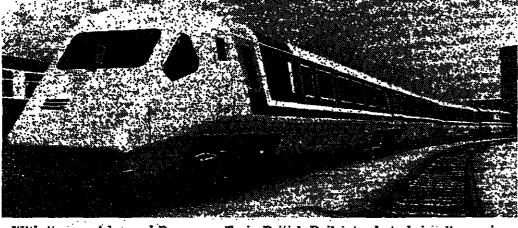
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With its new Advanced Passenger Train British Rail intends to bring its service to Glasgow from London down to 4 hours 10 minutes

Specialists are able to save on fares

ANYONE WHO has bought an travel agency being used. airline ticket or car ferry ticket It is perhaps unfortunate that tions of the air game. in recent years is aware that many companies do not go on The second, and panies themselves have become aware of the amount of money that is spent on travel nowadays. Most boardrooms, which might a supplier.

once have regarded the travel hill as an unfortunate necessity. have now tumbled to the fact that more efficient travel can produce substantial savings. Needless to say this is where the specialist business travel agencies move din. The complexity of fares, par-

ticularly on airlines, these days is due to a similar cost and revenue examination. The airlines have been struggling hard to encourage new business in the form of leisure travel, without allowing the business traveller to seize upon these promotional fares in order to save money. The problem for most com-

panies is that to their awareness of the potential for savings and for better service is added a knowledge that the problem is best solved by some outside organisation. The problem then comes of finding such an It is almost standard practice

these days to have an in-house travel manager whose role it is to keep an eye both on the travel patterns of the company and the performance of the

things have grown complicated to keep a watchful eye on the more difficult way, is to find a in the world of travel. The com- travel manager. Any travel plications have developed at agency worth its salt will try to give some sort of hand-back muc hthe same time, and for to establish a friendly relation- of his agency earnings. Not al much the same reasons, as com- ship with the travel manager and it is fairly easy for that manager to start regarding the agency as a friend rather than

> The amber light should show if an agency has not been asked to repitch for the travel account for a couple of years.

Results

If all this talk of "agencies" and "pitching" sounds a little too much like the world of advertising it is because the comparison is a real one. A travel agency is required to produce the best results for the ieast money.

Travel agents work solely for a range of commissions from airlines, hotels and car rental companies. In theory they are in breach of a whole range of agreements if they offer any discounts to clients. Thus the business is supposed to compete on efficiency of service and not on price. In fact the large buyer of

travel can drive a hard financial bargain in two ways. The first, and by far the largest, saving can be achieved by finding a travel agent who can consistently meet your travel needs with cheaper tickets. In other words, the agent who has the

best grasp of rules and regula-

good agent who is also prepared agents are prepared to do this, but no business customer should worry about asking. saved in this area is likely to be small relative to the total spent, but is perhaps worth the

Savings gained by shopping around for tickets do not neces-sarily mean buying from bucket shops or always flying on Skytrain (Incidentally an excellent and much overlooked service for the business community). Shrewd use of quite legal fare structures can produce substantial savings.

For example, a good travel agent will point out that a fre-quent visitor to a foreign city iscon sistently buying return fare tickets for each trip can save enormously by buying cheaper excursion fares, whose major drawback for the business traveller is a length of stay stipulation. You use the outward part of

an excursion ticket for the first stage of your journey, then buy another return ticket in the destination city. You use the outward half of that ticket to come back. You then put the two unused halves together for the return.

Nonsentically complicated? Well, when that excellent maga-zine Business Traveller, tried it recently on the London-Stockholm run it found it could save £112 on every flight—more than £1,000 a year is someone s going a month.

Group fares, assembled by agents who find enough people wanting to go to an exhibition or conference, are another invaluable source of saving.

Although savings are a pre eccupation of the business community, their availability is not at the heart of the growth of the specialist agency market. This growth is largely due to the fact that few normal travel agents are prepared to give up the time, or invest the effort. that some business accounts

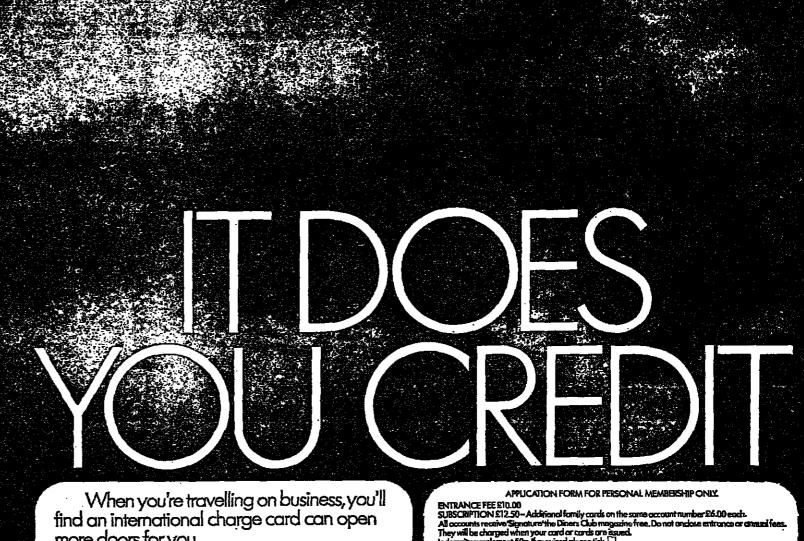
A god agency will offer a 24hour year-round service (recently installed machines in distant sales areas always choose to break down on Christmas Day), a delivery system that works, the ability to get visas, and a consistency

of staffing.

The last item is of particular importance. The essence of getting good service from a travel agent is that the business travel account executive should quickly get to know the quirks

the Perhaps director never wants a room sales manager is a vegetarian; with a sea view; perhaps the perhaps the chief accountant is disabled; and almost certainly every member of the travelling staff has a list of airlines with whom they refuse to fly. All these are things which the agency ought to be able to

Arthur Sandles



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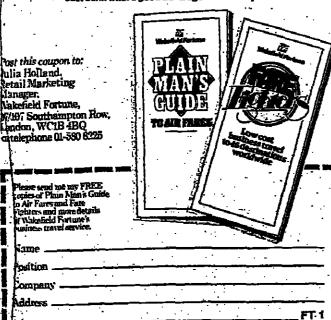
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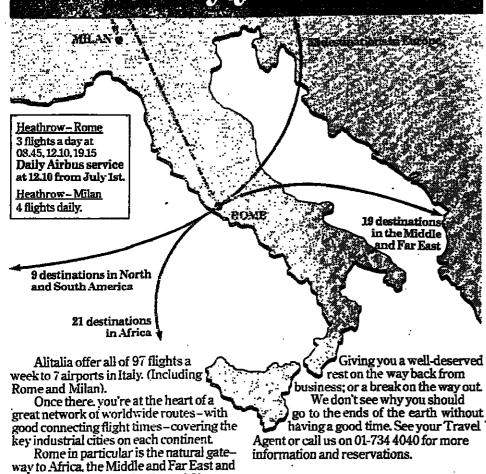
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anything from a few hours to a few days at

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Credit cards' success continues

wheels of international business turning smoothly.

Few travelling businessmen are advised to take more than a minimum of currency out of the country since business travellers can be a prime target for mugging in a foreign capital. Credit cards and travellers cheques, on the other hand, are by far the safest way to carry money and are widely accepted throughout

at least 60 per cent of hotel and can get quite forceful if and restaurant business in the that time limit is ignored. major cities of the world is done through credit cards. Moreover, hotelst in many U.S. cities are poorly equipped to deal with cash-paying cus-

The use of credit cards by foreigners in countries with strict currency regulations is is also something which the governments concerned welcome. The cards cut out the Express, works on a similar trade in notes which all authorities find extremly difficult to

The Visa name is on these

travellers cheques because

thousands of millions in

the past, the inter-these

American Express i the best-known of the credit cards used by business travellers, although in fact it is not a credit card
in the generally-accepted sense.
American Express has no limit
on the amount of credit allowed
—unlike Barclaycard and Access he world.

—but it does insist on repayIn fact, estimates suggest that ment within a certain set period

Superior

American Express has almost 900 subsidiary offices throughout world where help to book hotel rooms and flights—on more than 200 airlines— can be obtained. Diners Club, which is perhaps less well-known world wide than American principle to American Express.

Possession of one or more of upper bracket cards

THE ABOLITION of exchange control regulations last October has done little to dent the popularity of credit cards and company than might symbol—at their disposal in as American Express or Diners card company than might symbol—at their disposal in commercial cards and company than might symbol—at their disposal in commercial card company than might symbol—at their disposal in commercial card company than might symbol—at their disposal in commercial card company than might symbol—at their disposal in commercial card company than might symbol—at their disposal in commercial card company than might symbol—at their disposal in disposal in disposal in commercial card company than might symbol—at their disposal in disposal in disposal in commercial card company than might symbol—at their disposal in dispos

ingly, this has led to competition from such home-grown operations as Barclaycard and Access, especially through their European link-ups.

American Express i the bestsecure companies.

It was the growth of business and personal travel that prompted the two main UK credit card operations-Barclaycard and Access—to improve their validity overseas.

Barclaycard, which just has the edge in the UK market in terms of numbers of cardholders, can be used to pay for fares, notel and restaurant bills, car hire and so on, as well as for buying travilers wen as for buying travhers cheques and foreign currency. Moreover, a traveller who uses Barclaycard to pay for fares, either in full or part, receives free accident cover up to £15.000. This cover also extends to a cardholder's immediate

Through its membership of Visa International, Barclaycard

up to £10 0a day subject only to the cardholder's personal credit limit) at 80,000 bank branches worldwide which accept Visa cards.

Barelaycards also act as identification to cash personal cheques, drawn on a UK account, from any branch of the Barclays group.

Access, the credit card opera Access, the credit card operation of the other major clearing banks apart from Barclays, has also linked up with the Master-charge and Eurocard credit cards to provide a worldwide service. There are therefore about 3m outlets worldwide at the provide a British Acress card which a British Access card can be used.

Most of these entiets—more than 2m—are in the U.S. and the smallest number are in Egypt and Luxembourg with 100 outlets in each country.

Access does not at present offer cash advance facilities overseas but it is expected that this facility will be introduced

at a later date. The Trustee Savings Bank credit card is also part of the international Visa network.

The popularity and ease of use of credit cards for the inter-national traveller has led, some-what supprisingly, not to any diminishing of the importance of travellers cheques but to a fierce battle between U.S. and European banks for a market that shows every sign of steady

growth throughout the 19080s.

Banks have tended to look upon travellers cheques as one of the least-exciting parts of their operations. But the worldwide boom in tourism—helped by cheap air fares—has meant that travellers cheques have become one of the growth areas of banking.

For the customer taking money overseas, the certainty and peace of mind of guaranteed acceptability and refundability of travellers' cheques has made them a consistent choice.

The market value travellers cheques is estimated at about \$40m and some projections suggest that the market will grow by 15 per cent or more per year throughout the 1980s as the tourist boom con-

But against the background

American Express, which has just over half the merket, according to industry estimates. Next come Bank of America and CitiCorp, which have a further quarter of the market between them.

But the challenge to this U.S. harking dominance is coming

banking dominance is coming from European banks which plan to use the Thomas Cook travellers' cheque scheme as the basis for a widely-accepted European-financed travellers'

cheque system. cheque system.

At the same time, Visa International has launched its own travellers' cheques operation and has successfully recruited Barciays Bank to issue Visa cheques.

Convinced

The battle for a share of the growing market, however, is likely to lead to only one real winner—the traveller—as the competing banks cut commission rates to attract new business. Yet the major banks involved in the fight for market share remain convinced that with the projected growth of the market in the 1980s, their investment will reap substantial

financial dividends. Apart from credit cards and travellers' cheques, the business traveller has several other options available for financing

Through the account holding branch, a customer can arrange for banking facilities to be made available obroad, such as having a sum of money to draw on - in sterling or local currency—at a specific overseas branch or branches. There is also the advantage of having first-hand local assistance at an overseas branch should difficulties with money arrive during

Letters of introduction can also be issued by British banks for presentation at branches of various other banks. These will provide the business traveller with local information and banking expertise, and possible introduction to local trade concersp. The traveller's account-holding branch can advise on which banks abroad will pro-

David Churchill

Varied routes for credit

personal needs of the travelling businessman, he also needs to. have a wider grasp of the intricacies of financial trans-

What happens, for example, if the businessman abroad suddenly needs a substantial amount of cash to close a deal

In a case such as this he would be able to telephone or telex his bank through one of its own branches or through an associated bank abroad and ask for an immediate remittance of funds. They should be received within 24 hours by cable or

Methods of payment for importing goods can also be aranged through the bank by a letter of credit or payment order where small amounts are

In the case of importing there is an increasing likelihood that payment will have to be made in a foreign currency, which means the exchange risk must be taken into account. Protection can be obtained either through a forward exchange contract or, in the case of flow of trade, his bank can businessmen with a two-way open a foreign currency account to match receipts and payments in the same currency.

The key point for the travel-ling businessman is to be aware of all the financial complexities of all the mancial complexities of overseas trade before starting on his travels. A medium to large company will usually have a specific export department with staff trained in handling export finance, but the smaller company is best advised to seek the help of its local bank

Helpful

Barclays, for example, provides an extensive range of facilities and helpful advice about the business side of business. travel

There are several facilities of use to the traveller in dealing with export finance.

For example, a customs bond can be provided which will enable him to import his samples on a temporary basis into various countries without payment of duty. The bank will either issue these documents or.

ALTHOUGH CREDIT cards and on the company's behalf, give a travellers cheques are more counter indemnity to a Chamber than adequate for meeting the of Commerce which in turn can issue them

In negotiations with potential buyers abroad, the business traveller can arrange payment actions between countries in order that he can actually do some business.

in a number of ways. The goods can be paid for by a direct remittance of cash, or the bank can provide the collection of export documents. This is a service under which sums due exporters as shown by invoices, shipping documents, bills of exchange, and so on can be collected from the importer

and credited to the exporter's account Another method is the inward documentary letter of credit:
whereby his bank advises
customers of the details of
credits established in their

favour by an overseas buyer. lmmediate

Alternatively, his bank can forward foreign exchange contracts. This facility means that purchase or sale of a foreign currency can be fixed immediately and so avoid the future uncertain exchange rate movements.

Banks can also provide contract guarantees or performance bonds. This is a written guarantee given abroad by a bank to support a bid or the agreed terms of a contract entered into by a customer.

Indemnities regarding export documents ca nalso be obtained. This is an indemnity given by the bank to the paying bankers to enable immediate payments to be obtained under a documentary credit scheme in spite of any irregularities in ducaments presented.

Three other payment systems

• International money orders: pre-signed drafts for payments in sterling or U.S. dollars to overseas beneficiaries. • Mail payment orders: airmail

authority to an associated bank in an overseas country to ply a fixed sum to a named beteficiary in that country. ■ Telegraphic transfers: cabled

authority to an associated bank to pay a fixed sum to a named perso:1 The businessman may decide later to expand his markes as a result of successful export buiness. In this case he may de-

cide to travel on a trade mision organised by a Chamber of (ommerce or trade association-

David Churcuill

banking assets stand behind them. 000 0012 345 678 012 0000 345 678 001012# 00#5234# 31234569# 15 Visa is the largest card system in the world with over 12,000 members in 110 countries. Now, Visa

Travellers Cheques are being issued by financial institutions worldwide. These include Barclay's Bank International, Standard Chartered Bank, the First National Bank of Chicago, Banco Atlantico, the Sumitomo Bank, Ltd., and many others.

The combined financial strength of these issuers far surpasses that of any individual financial institution in the world - or any single travellers cheque issuer in the world - and this financial strength stands behind every Visa Travellers Cheque sold.

Thousands of other financial institutions are operating as sales locations and, as with the Visa card, a participating institution's name may be printed across the top of the cheque.

Visa Travellers Cheques are presently being sold in four major currencies: the U.S. Dollar, the Pound Sterling, the Japanese Yen, and the Spanish Peseta. Cheques in additional currencies are being developed to facilitate the travel needs of people throughout the world.

For years, banks and merchants have relied on the strength and integrity of the Visa name for proven worldwide financial services.

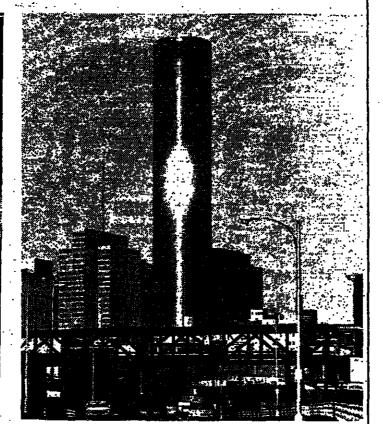
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Above: bar in the Pamodzi Hotel, Lusaka, Zambia, which is typical of Africa's modern business-oriented hotels. Right: the striking Peachtree Plaza Hotel in



Big hotel chains geared to the seasoned traveller

register quickly and pay the bill together. without having to stand in line forfor half an hour after breakfast. He wants telephones that departments of their companies work, a desk large enough to tend to select one chain and spread himself and a system make a batch of reservations that makes sure he gets his mes- for a trip with the same chain sages. He wants a comfortable at the same time. Thus the bed, air-conditioning, water that fighe to "get called ' in the is hot, room service at odd first place is fierce. times of the day and night and food that is better than average, the large chains have taken if perhaps not oustanding.

what the world hotel industry has set out to give him. The Italy, for example, there are no large American companies that large domestic chains, although dominate the industry (Trust- individual hotels have banded U.S. hotel chain in the Service

Any experienced traveller knows of course, that there is still a long way to go and that, for al their clinical efficiency, modern hotels can sometimes. research shows that most business travellers gravitate to-wards the large chains and are happy with what they get; and the further they are from their home base, the more they rely

on the large hotel groups.

According to Service World, whose annual rankings are accepted as among the most reliable in the business, the lar-gest chain is Roliday Inn, which in 1978, the last year for which full figures are available, had roms in 1,718 hotels around the world.

Total system sales of Holiday Inn, whose hotels are still concentrated heavily in the U.S. despite a programme of inter-national expansion, were some national expansion, were some rates largely tied to a formula £3.3bn in 1978—well ahead of under which the more room the \$1.5bn earned by Sheraton; night per year are used by a the Boston-based subsidiary of company the lower the rate.

ITT, whose hotels are spread a In cities where it is particularly and the specific particularly little more around the world.

Expanding

Trusthouse Forte ranks fourth on the list (77,051 rooms in 860 hotels) ater Ramada Inns, which have also begun expanding overseas. THF, of course, has also gone the other way and owns the large TraveLodge chain in

Interncontiental comes minth, after a hevy of U.S. groups which are still largely North American in focus. Hilton International (no relation of Hilton Corporation which is fifth and operates only the domestic U.S. Hiltons) comes tenth.

These groups compete furiously. Between them have spent millions of dollars trying to get harassed businessmen in various countries to remember the telephone number of their worldwide reservation systems. These computerised systems are the when it was raining rather than first requirement for any for the size of their bathrooms. modern chain Owten utilising And the problem of providing

THE SEASONED business spare capacity on airline systems good service along with low to compete with the big groups. 20 years has more or less dictraveller knows precisely what (which have a head start in the expects from a hotel international reservations business traveller to market where the larger chains forced the business traveller to ness) they link all group hotels

> Research shows that businessmen, or the corporate travel

In most parts of the world advantage of the fact that their In short he wants exactly local competition is still frag-that the world hotel industry mented. In West Germany and house Forte is the only non-together to form limited reservations systems. In France, my World International top ten) contrast the local competition have made the provision of from Novotel (23,000 rooms in these facilities into as much of a science as they can.

be as frustrating as the old non Japanese speaking businesstions they men still tend to gravitate towards Western-owned hotels in the beliefe, sometimes mistaken, that they will be better under-

There are indeed a bewildering number of different inter-national hotel chains and a number of specialised travel agents and companies now exist to do the choosing for you. These companies may be particularly useful for out-of-theway places where there is no large chain hotel or in the large number of countries where the market is still fragmented.

The hotel chains are meanwhile anxious to build up their captive" business and most now offer a variety of corporate

In cities where it is particu-larly hard to get a hotel room (at the last count these inchided New York, Cairo, Aberdeen, Jeddah, Riyadh and sometimes London) the corporate discount can mean that chains fail to maximise their earnings. But they argue that this is more than outweighed by the fact that the discount attracts business to hotels in other less popular cities and pushes up their occupancy rates. Even in these less popular locations occupancy rates tend to be high during the week. But they can slump on Friday, Saturday and even Sunday nights. (And discounts can make all the difference in some parts of the "over-hotelled" Middle East.)

Most travellers have their favourite hotel chain-more often than not because one of the clerks smiled in Brussels hotel chains than in the past.

Now that the obvious laboursaving measures have been taken-self-service bars in rooms, automatic shoe cleaning machines, buffets at breakfast others. Some rely on gimmicks if, as when the window will not -the industry is pinning some faith in the computer, or rather the alliance of the computer and the TV set, to cut labour costs still further.

Horwath and Horwath, the international hotel consultants, calculate in their latest report on the worldwide lodging in-dustry that "payroll-related expenses," at 32 per cent, are by far the largest single item of expenditure in the average

In their report, The World-

wide Lodging Industry 1979, they note, for example, that food costs amounted to only 9.1 per cent and energy costs, even though they have risen sharply, accounted for only 3.9 per cent Many large hotels have now introduced computer - aided switchboards and computerised

accounting systems. Some have xperimented with transferring all guest accounting on to video terminals linked to small printers. This, in theory, should produce instant bills. But these systems are still prone to "go down" and few

hotel chains have the resources to instal a back-up main-frame computer. The industry has yet to recover totally from the recent experience of one Paris hotel whose system expired for half-an-hour at 8.30 am one weekday morning. Large num-bers of exasperated guests were seen simply walking out, taking their unpaid accounts with

Until now it has also proved difficult to link all the disparate systems — the phone bill computer, for example, with the restaurant computer-into one central system. The micro-chip makes it easier but still expensive and the number of hotels using a fully automated guest control system is still very

Most analysts believe that by the end of the decade the computer will have come into its The TV set in the room will hold messages and be programmed to answer questions such as the location of the nearest theatre. Guests who pay by credit card will have their bills sent instantaneously to the central credit card computer which, incidentally, will be able to vouch for their creditworthiness.

Automatic stock-monitoring

Sensors

devices in the kitchen will re-order food, control portions and: reduce waste. Sensors will turn out lights in empty rooms, turn down heat during the day, perhaps even draw the curtains and, who knows, turn down the sheets, keys, already introduced in several hotels, will cut down theft and mean that the central computer will always know whether a guest is there or not The successful hotel chains will be those that somehow manage to keep all this tech-nology in its place and remember that tired travellers, on edge after a long day, are more likely to be calmed by people than machines.

Some businessmen, of course, have become so irritated by the chains that they always seek out the individually owned hotels which still have their own charm, are labour-intensive and have escaped the deadening uniformity that characterises many of the largest groups.

But these hotels are getting so expensive to run that they will never be able to carve a very large share of the market even if they continue to more than hold thir own. Research does show that individually owned hotels can keep there market share even in the face of heavy competition from the chains provided they do not lower their standards in order

even more on the minds of the market where the larger chains forced the business traveller to are operating, standards do accept that there is no other. vary. Some are quite clearly reasonably priced, way. upmarket than tohers. Some have a better idea how is now the "world way" and the to motivate their staff than

> their guests loyal. chains have much more in com- lie down. mon than divides them. The vast

The "American way of hotels" world seems to accept it. Even bed-time mints to open and the air conditoning bizarre architecture—to keep cannot be turned off, there are occasions when the memories But in the end all the large of a different era will not quite

David Bell



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No other Business Travel Agency offers a more complete service than American Express. Here are some of the reasons. Comprehensive Service. We organise everything from air, rail, hotel reservations to car hire, conference bookings, visas, travellers cheques, foreign currencies and inoculations, Worldwide over 1,000 Travel Service Offices of American Express Company, its subsidiaries and representatives. These offices in 160 countries can help you with on-the-spot advice, as well as taking care of changes in your schedule.

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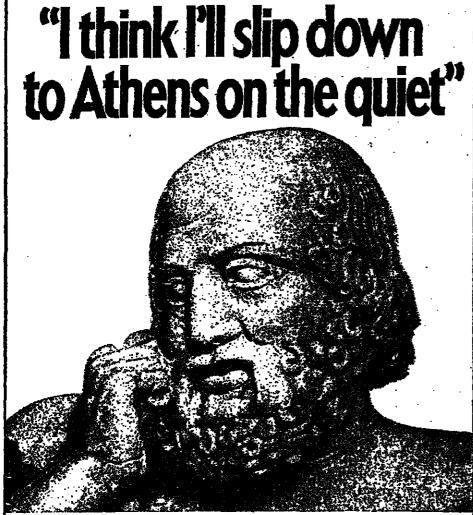
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Car rental a buyer's market



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CAR RENTAL is probably the most aggressive marketing area of business travel but recent years have seen a subtle change in the tone of the campaigns. Perhaps until the first oil crisis of 1973-74 there was very

little price awareness among renters. The accent was entirely on service as far as the major. companies were concerned. Hertz, Avis and regional rivals, such as Godfrey Davis in Britain, fought simply to show that they could provide better cars more quickly at more points than the others—and do

time there is an eagerness to show that they are also offering value for money. The dis-count rental companies—often disparagingly referred to as the 'off-airport suppliers"—are now regarded as serious competi-

tion.

Price is now a major factor in the rental game, and not only just the basic cost of renting the car. Rental companies are finding that their clients are interested in the mileage per galon, a question way down the list in the good old days.

It is in the car rental business perhaps above all that the various compaines are eager to buy loyalty. They do this basic-ally by offering a variety of incentives for a pledge to put a buyer's market.

The major incentive areas are price, the availability of cars and the speed of transactions. In difficult problem. In these days the field of price there is a great of high interest rates and high deal of private negotiation and prices for cars, all of them want semi-official dealing. This is to keep their fleets fully occudue largely to the fact that no rental company wants you to agony of decision over whether tell a business colleague that the fleet is too big for financial you are getting a bargain which

is better than his. Only a couple of weeks ago rented a car from a major company, secured my business house discount and then innocently inquired if a second discount facility could be added Today they are still making those claims, but at the same time there is an easurage to just think what an IBM executive would be getting."

tives getting as a discount now?"

The other case for secrecy is that no rental company wants to tell travel agents that it is giving greater discounts to direct clients than to customers that come through them.

Discounts

to secure a 10 per cent cut on British rental rates without much difficulty. If you have a very large account then you might be able to nudge a full 20 per cent out of a major. business their way. With com- although few of them would be computer system in Britain petition so fierce it is very much prepared to admit officially that which is further speeding its such discounts are offered

pied. The result is a nail-biting

comfort or too small for demand. Every customer turned away because there is no car is one who could end up loyal to another rental group. The rental company answer

to this is to give priority to business clients. At busy times the rental companies will allow their treasured customers to jump over mere holidaymakers. It sometimes

My slow brain gradually came example, to phone the car round to the unspoken question: "Then what are IBM executives getting as a discount now?" and establish your business credentials before walking into the rental point. It then makes the clerk's task of giving you a car and not the rest of the crowd much easier—"Yes, Mr. Smith. your pre-booked car is ready Sir." Nudge, nudge, wink,

In practice you should be able with which all the companies long time. Avis Wizards its way through check-in and check-out procedures and Hertz pushes its No. 1 club facilities with considerable determination. Hertz has recently installed a new

to use the cruise ship as a float-

further 12.5 per cent discount for cars. The company is also

about to introduce a new

scheme for the Northern

Ireland businessman providing

first-class ship, rail travel and one night's London hotel accom-

modation for £76-£10 less than

the return air fare.
Unless time is the only factor

conventional car ferries, hovercraft and hydrofoils can provide

travel, particularly if a business trip is combined with pleasure

and the traveller takes advant-

age of the special package offers

Paul Taylor

save on costs.

pleasant alternative to air

On the company's Liverpool

ing hotel.

rental companies a particularly the facility of their own credit ought to be dispelled immediatomers can simply collect the keys and rental documents from the counter without bothering to wait for detailed procedures to be completed.

> Renault-owned, Europear has grown spectacularly in recent gears and caused a major disturbance in the British market by provoking a retail agency commission war completed.

Coincidence

and it is going to be interesting to see which course is to be taken in the future. Perhaps it is only a coincidence but some other companies, notably Guy Salmon, are now adopting an aggressive policy in the market

Any fond hopes that customers have that all this competition will actually bring

BUSINESS TRAVEL

accounts since 1915.

All the major companies offer prices down in the near future card and account so that cus- tely. The rental companies

As far as Britain is concerned it is going to be fascinating to see how the rental war hots up this year with the acquisition of Godfrey Davis' rental activities by Europear. French-based, Renault-owned, Europear has need city centre rental locations, an international computer system, and a network of offices at which cars can be dropped off, it is well worth examining the offerings of local rental organisations. The garage round the corner does not have the verheads of the international giants and yet often gives tional giants and yet often gives a personal service.

No one in the car rental The Godfrey Davis and Europ-car approaches to marketing going to be a year of spectacular have been somewhat different profits, Most seem to believe that the holiday market will be

singeish at best.

It is a time when all eyes will be on the business community and its reliable custom. And a time when that friendly sales man can be squeezed for every ounce of discount and service-that he is prepared to offer.

Arthur Sandles

Ferries offering a useful alternative

FERRIES MAY not be the five EEC capitals. fastest way for the businessman Although cost so fastest way for the businessman Although cost savings are un-to travel—although hovercraft likely to be the first consideraand hydrofoil have narrowed tion for the overseas traveller, the gap—but there are other further savings on cross-tickets have been introduced reasons, including cost savings channel fares are available by over air travel, why they ought to be taken seriously by the duced fares offered by the further 12.5 per cent discount with a duced fares offered by the further 12.5 per cent discount major operators for their fares are reasons. business traveller.

down with bulky or heavy ample, offers half-price fares on samples the car ferry may be the only way to avoid weight restrictions on flights. The business trip by car is simple, convenient and can make sense in terms of increased mobility Ferries offer concessionary and cost effectiveness. For ex-

conventional car ferry totals about seven hours using the drive-on / drive-off Dover-Boulogne or Calais services. This compares with under four hours by plane but saves £20 or more on the return cost. Travelling by Seaspeed hover-craft between Dover and Boulogne saves about half an hour in total travelling time but prices with a car are similar to current air fares: £80 return excluding petrol.

Time-consuming

Travelling by ferry with a car to other European ports is considerably more time-consuming than going by air. For example, Sealink's Harwich-Hook of Holland route takes about six hours by day and more than eight hours by night and total travelling time between London and Rotter-dam is over 12 hours compared to three hours by air.

However, even with a car it will cost less than half the air price. Similar cost savings are made on Danish Seaways' although total travelling time at almost 37 hours is about six times that

One of the most convenient road-sea connections for the businessman going to the Con-tinent is through the Suffolk port of Felixstowe to Zeebrugge in Belgium. Thownsend Thoresen, the European Ferries subsidiary, launched the route in 1974 and now has six sailings a day dropping car passengers

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major operators for short trips. For the businessman laden Townsend Thoresen, for ex-60-hour trips and discounts of 20 per cent for visits of up to five days on the cross-channel

ferries. Both P and O and European The fastest journey time to ample, stockholders in P and Paris from London using the O with £200 nominal deferred or £500 nominal preferred stock can obtain 50 per cent reduc-tions on the company's Dover Bologne and Southampton-Le Havre routes.

European Ferries offers 50 per cent reductions on sailings from Felixstowe and Dover together with reductions on other routes to registered share-holders with 300 or more

The cross-channel ferry companies have also discovered that long crossing times can be turned into a selling point for the husiness traveller. stress the facilities on board and tailor some journeys to allow passengers a full night's Townsend Thoreson offers special on-board conference facilities and, in conjuncwith Hogg Robinson Travel. provides car-ship-hotel packages to major international trade and fashion fairs. Prices for car, driver and two nights' accommodation for the Hanover Trade Fair this month started

Businessmen can also take advantage of the ferry com-panies' standard car, ship and inclusive packages in

many European cities.

For the business traveller who does not want to take his own car, hydrofoils are another alternative to the conventional ferry or hovercraft and a challenge to the time challenge to the time advantages of air travel P & O Jet Ferries has set out deliver-ately to woo business passengers from the airlines and on to its hydrofoil service operating between Tower Bridge in the hydrofoil

City and Ostend.
The Jetfoil offers 250 seats on up to three crossings a day with travelling time reduced to 31 hours followed by a 105-minute train journey into Brussels.

Although total travelling time to Brussels remains about two hours 40 minutes more than by air the service is cheaper, saving almost £20 on the return journey, and it does avoid the need for the City businessman to make his way to Heathrow.

Potential

Among the special package deals offered by P & O on the Jetfoil service are link-up services with Avis the car hire company offering full car hire facilities and a package hotel

P & O has also been foremosi in exploiting the potential of its other ferry routes for the businessman. Car ferry services on the company's Aberdeen to Shetlands route have been increased in the wake of the North Sea oil bonanza, providing three departures a week throughout the year tailored to the needs of businessmen.

Journey times in both directions allow the business traveller to arrive following a night on board in time for early meetings, while the Shetlands mini-cruise service has been adapted to allow businessmen

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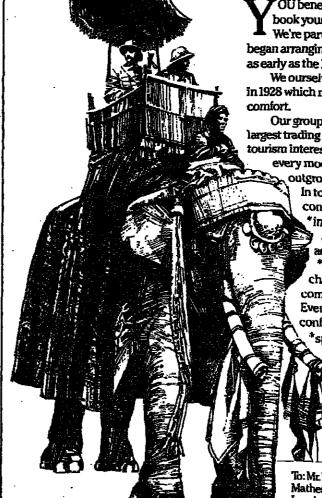
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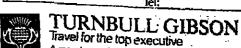
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Information services vital

HARASSED traveller needs two kinds of With most of this official or information. First, he needs know how to get to where he wants to go, where to stay and whether a baggage handlers' is part of the appeal of special strike means that, in reality, he surveys done by newspapers At present the airline sends times and then fill in his own better off telephoning a large contain will also be transferred ticket electronically. He then agent than hanging on the tele-onto the Prestel computer or phone waiting, seemingly for an airline to answer. Wany agents are also using tions computer.

Many agents are also using thought to get information of alive to the danger that it may soon be pumping out too much may get there two days late, and magazines, all of which Secondly, he needs to know have a public circulation. what he will find when he gets there, the kind of information

of one kind or another. It is on their ability to provide it accurately and speedily that many of them are judged.

The development of the world.

But the information in the packages varies enormously. Government publications tend to be bland and to steer clear systems—pose a threat to of controversial judgments. At travel agents. Now airlines are the same time the commercial in a position to offer a comthe same time the commercial officers in consulates or plete booking facility—nights, embassies are often extremely—hotels, hire cars—at one go. well informed and prepared to. One source that is often say in private what they will extremely useful—but often never cimmit to print. ignored—is the local chamber ignored—is the local chamber of commerce. This is particularly so in the U.S., where each

Many banks offer detailed of commerce. This is particu-assessments of developments in larly so in the U.S., where each overseas markets and local chamber will have on hand a branches of banks from the mass of information about the country being visited can often be very helpful. Sometimes tourist offices can also help, but they are most often geared to the needs of the holiday when it comes to business

Most businessmen travelling to a new market, of course, that will put him at ease while research it thoroughly before the tries to assess the market or complete a difficult contract.

Governments, tourist offices, But travel agents still find

reservation systems by the airlines—and more recently the introduction of viewdata

town and the region.

Viewdata systems pose a threat that is even greater, at least potentially. In London Qantas already offers an on-line traveller and are of little help facility for the Prestel user who when it comes to business can, in effect, check the flight times and then fill in his own better off telephoning a large contain will also be transferred

At present the airline sends hi mthe ticket by post. But before all that long Prestel sets will no doubt have little printers attached to them which will print the ticket out instantaneously.

Sophisticated

The travel agents have responded to this threat by setting n ptheir own computer network. Known as Travicom, the British system links agents to the com-puters of 22 different airlines and it is linked into mini-computers that can print out tickets instantly. Other countries in Europe have similar systems although few are as sophisticated as Travicom.

Agents argue that their clients now have the same instant access to their airline computer as they would if they contacted the airline direct. In addition, they are able to get information on a much wider range of flights, hotels etc. because he agents are inedpendent of any particular airline or hotel chain.

The airlines also use Travicom to advise agents of problems with flights, strikes, weather delays and other developments. Thus the exasperated businessman may be of the information that they

Many agents are also using Prestel to get information of this kind and the industry now agents have access. This works on a basis similar to that used companies which have bought a section of the system and use it, more or less, as their own information switch-

ing system. The great advantage of video terminals in providing travel information is that they can be accessed by a host of users at the same time. British Rail is already offering all its inter-city times on the system, which much easier to use than the

telephone.

The travel industry itself still relies much more heavily on information contained in its reference books. These range from the ABC airline and rail guides through a number of hotel guides to the Agents Gazetteer, which has "un-varnished" information, particularly about holiday destinations in Europe.

Many of these "2bibles" are published monthly or in loose-leaf form so that they may be updated, industry analysts expect that it will not be long before much

soon be pumping out too much has its own set of "frames" information. Indeed travel on the system to which only agents believe that their future. is secure precisely because busy travellers will always want someone else to sort it all out for them and because there will always be a large number of people who want to find someone who was "actually there before they make a reservation.

> The most important consideration for any information service for the business traveller is whether or not it is up to date. Executives need to be sure that when they change plans at half-an-hour's notice they can rely on the informa tion they are getting about availability, flight

> times and the rest. That is the most important test for the travel industry. The computer will undoubtedly help it to pass it in the next decade but it will not, in the end, be a substtiute for the experienced agent who knows his business or the airline reservations clerk who sounds interested as opposed to merely bored. Finally, as it has always done, the business comes down to

> > David Bell

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Problems met by insurance

each year as it becomes progressively easier and quicker to get from one part of the globe to in the company itself while an another. The British business-executive is abroad, then under For many executives, travelling cant part of their responsi-

But there is more to trav abroad than booking air flights and hotels and arranging meetings. It is necessary to stop and consider the consequences of something unforeseen happening to the executive while abroad. He may fall sick, he may be involved in an accident, or lose his baggage.

Such events can cause prob-lems and financial loss and they simply highlight the need for comprehensive business travel insurance while he is overseas.

The first event to consider is what happens should the busi-ness traveller fall ill or have an accident abroad. This could involve consulting a doctor, being sent to hospital for treatment or having an operation. All such treatment and drugs have to be paid for and medical expenses do not come cheap.

If this should happen in a country that does not have full reciprocity with Britain's reciprocity with Britain's National Health Service, then he has to pay up in cash, often before he can get treatment. A travel insurance policy would cover these costs.

Even in a country with full reciprocity with the NHS—the EEC and many other European countries—though in theorye medical treatment is free, in practice it can mean paying the costs on the spot and getting reimbursed on returning to Britain.

If he is not seriously ill, then he can possibly carry on his work from a private room in a hospital. But, if he cannot continue working then there are two consequences, one for him and his family, the other for his

The patient's wife, husband or other near relative almost certainly will want to visit, at least until the crisis has passed. This involves flying out to the country and staying in a nearby hotel. When the patient is well enough to travel, then it is preferable to return him to Britain to continue treatment under his own doctor and in his local

Supervision

A travel insurance policy should meet alithese expenses and the company issuing the insurance should be able to arrange the repatriation. The insurance travel brokers J. Perry and Company operates its own system as the Perry International Rescue Ser-There are other such repatriation services with which insurers have arrange ments. These get individuals back to the U Kunder nursing supervision with as little pain and inconvenience as possible. Should the traveller die, then insurance would cover the cost of flying relatives out and

bringing the body back to the As far as the traveller's employer is concerned, he needs to have him replaced to continue the business trip and for the replacement to be sent out as quickly as possible. Insurance

 m^{∞}

THE WORLD is getting smaller covers the costs of flying out the replacement.

Similarly, if there is a crisis man or woman can regard the certain circumstances the world as his area of operation, insurance will cover the costs and this now applies more than of his returning. This applies ever to the small businessman, should it arise from the death For many executives, travelling of a close business associate or abroad on business is a signifi- discovery of fraud by one or more employees of the company so that the immediate return the executive is required. But the insurance will not cover his return if, while he is away, the company has received

The next section in travel insurance provides personal accident cover. This takes the normal form of lump sum payments on death or disable-ment of the executive, plus weekly payments for up to two years while disabled. But it does not cover injuries incurred while mountaineering, winter sports or racing. At first sight such exclusions may seem pedantic for a business insurance policy. But some executive combine business with pleasure on overseas trips.

Cash payment

Then the insurance will cover loss of baggage and personal effects while abroad. The business traveller may well be carrying valuable samples or items of equipment for demonstration purposes and this section of the cover should be checked to ensure that it meets such contingencies. Usually a cash payment is made to enable the personal items lost, such as clothing, to be replaced immediately.

Insurance usually covers loss of money up to specified limits and provides for personal personal liability cover. The latest cover now provided is to meet the consequences of hijacking. Here the underwriters will cover reasonable expenses incurred as a result of hijack, defined as the aircraft being delayed or diverted from its scheduled route because of violence or

Some insurance policies also give cover to reimpurse ex-penses arising from aircraft delays because of industrial action. This is now a standard format for holiday insurance. But although the business travel plan from the Association of British Travel Agents also offers this, the J. Perry plan does not. At present demand does not seem to be there for such cover.

The standard business travel insurance does not cover motor ing. The cover applies provid-ing the businessman is travel-ling at least in an aircraft licensed by the local aviation anthorities, then he needs to make additional insurance arrangements to cover the mot oring risks. If he hires a car after flying to the country, then the hire terms should include comprehensive insurance. . Business travel policies are

normally issued for 12-month periods. The company usually specifies the names of the em-ployees covered or alternatively, specifies the position within the company. J. Perry's scheme charges £60 per person for European travel only and £75 worldwide. But there are reductions varying from 10 per cent for two employees to 25 per cent for more than 100. The ABTA scheme gives higher cover but worldwide, with group reduc

Eric Short



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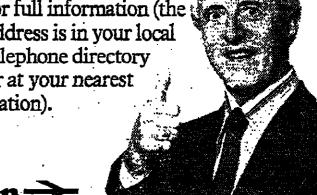
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This is the age of the train

Conference events bring high level of spending

ANYONE WITH any doubts tax-funded backers such as on a co-operative basis to about the significance of con- local authorities and nations to individual organisations. ference and exhibition trade in reduce their overall outgoings the travel business, and indeed that the battle for exhibition to local communities, really and conference custom has needs look no further than a recently become fiercer than recent survey by the British ever. Only this week a team from the German city of don Convention Bureau. don Convention Bureau.

The results of this survey amount spent by delegates to conferences in London was £307 for a stay of about 51 days. Paris has been so active in Overseas delegates were heavier the conference and exhibition non-European) spent an impres-

attracted so many people into is the long-term nature of plan-the conference business. City ning in this field, particularly after city has felt it worthwhile for the really big events, that to invest in new conference-decisions are being made now exhibition centres. Even Lon-which will show only in three don, while shying away from to five years' time. Centre a new central London complex, owners are keen to see that is putting considerable amounts these decisions are the right into Earls Court which has ones. undertaken an impressive up-

dating programme. Enormously lucrative though they may be to the community as a whole, large conference and exhibition complexes are not noted for vast profitability in their own right. Most of the newer ones are state or municipality projects, and private enterprise has tended to conbuildings. The Wembley Conference Centre in North London is at the top end of this size scale and seems to have been highly effective in attracting

armed with glossy literature and eagerly embarked on a 12-day tour to promote the attractions of the city.

spenders than British ones and market that it now claims to "rest of the world" visitors have overhauled London as the (non-local, non-American and conference capital of the world. Promotion is fairly frezied at

the moment because many in It is this level of spending, the exhibition business are which is vastly higher than that fearful of a downturn in of ordinary tourists, which has business in the mid-1980s. Such the exhibition business are

Joint projects

There have been considerable strides in costs-easing (it never pays to talk of cost cutting ference these days) as far as both pants. exhibitors and visitors are concerned. In the exhibition field Recently I visited the huge and remarkable exhibition

British and American stands at or exhibition market. the event that was on were

The British Overseas Trade Board has a joint venture scheme which is extremely active in this field. Figures for 1978 show that the Board was involved in 318 trade fairs and actually helped 7,700 companies to show the flag in 71 countries.

As from this month the cost of taking part in a BOTB joint venture is being increased from Paris has been so active in the conference and exhibition market that it now claims to have overhauled London as the have overhauled London as the personnel if the fair is outside personnel if the fair is outside Europe and also offers a 50 per cent discount on the basic rates for companies for their first two participations at a particular venture.

> Trade Associations normally act as the clearing house for the board's activities and for those of other organisations in

At the same time as there is this enthusiasm to get British sales teams into the field there is also a large amount of pro-motional work on the part of travel agencies and tour companies to ensure that companies are aware of the discounts which are available to conference and exhibition partici-

Although most air fares are constructed in such a way as to there has been a noticeable deter the business customer—increase in the number of joint—a frequently used ploy is to indeter the business customertent itself with more modest project exhibition participants. sist that Saturday night must be spent in the destination city --excursion and tour fares are centre in Berlin where both often ideal for the conference

In such fields many partiustom. centrally sponsored by Govern- pants and visitors can be It is a sign of the needs of ment agencies and then sublet specific about the dates of their

trip and the length of time in-volved. This enables a travel agent both to assemble groups and thus produce group discounts, and also to seek out the lowest possible fares for individual travellers. Anyone visiting an exhibition of any size for any length of time who does not investigate the benefits of this market is doing himself, and his company, a bad

Although there is a degree of concern about the future of the exhibition and conference market, this is as much due to a problem of over-supply of facilities as to a diminution of demand. Such is the nature of international business, politics and such activities as medicine, scientific research and education that frequent international contact with colleagues in other nations is sufficiently important to guarantee that the market

financial turn.

continues at a fairly strong level. At the same time, the need for the seeking out of new markets when traditional ones may be on the wane is a considerable encouragement to companies to get out into the field and sell.

field in which the buyer of facilities has, for the moment, the negotiating edge. Perhaps the time will come again when the conference and exhibition centres of the world have customers hammering on their doors - some of the very largest centres with particular attractions are, of course, constantly in that fortunate state but, for the time being, the man with the cheque book is king.



such as the U.S. and Far East. Above: street scene in the Ginza district of Tokyo. Below right: beach at Las Palmas, Canary Islands

Incentive trips market shows steady growth

certain period. Incentive travel. Francisco may be taken over by parties of insurance agents and their wives on a weekend to celebrate the sale of record amounts of new business.

In Europe there has been a However, a growing number of European companies are followeque book is king. ing the example set in Europe by local subsidiaries of Arthur Sandles American organisations.

FOR SOME years the travel industry has been encouraging is difficult to pin down, partly, companies to consider a new because the tax status of inway of rewarding employees centive travel is unclear. Some whose performance may have companies, in order to been particularly good over a economise taxes, organise their schemes in such a way that, technically, they are not as it has come to be called, is technically, they are not already big business in the rewards at all. It is thus dif-U.S. where whole hotels in ficult if not misleading, to put cities like Las Vegas or San any firm figure on the market. The idea that extra effort &

should be met by extra reward is of course central to the operations of the sales departments of most companies. A variety of incentive schemessteady growth in the incentive offering cash bonuses, discounts travel market but it has yet on merchandise and other to reach anything like the size benefits—are already in opera-that it has in North America. tion, many of them managed on merchandise and other companies by "motivational agencies" as the incentive houses now prefer to of be called.

Most estimates suggest that travel incentives are at present only around 15-20 per cent of this business, but the companies that specialise in these schemes are now pushing travel fairly hard. Other companies, like International Conference Promotions in London, run seminars at which they show the advantages of incentive travel promotions and demon-strate the remarkable range of destinations available.

Sophisticated

It has become a highly sophisticated business down to the last detail. If, for example. a company sets up a scheme to reward its best salesmen with incentive travel companies will make sure that each of the salesmen in the contest gets a

salesmen in the contest gets a postcard from the Bahamas saying something to the effect "Hope You Win, We're Looking Forward t oSeeing You."

The most popular short-haul destination in this market is Spain, but longer-haul destinations—in particular the Caribbean, the U.S. and the Far East—are rapidly gaining in rapidly gaining, popularity.

These schemes can now be costed very precisely by com-panies who want to take part in tehm. They can set a propor-tion of the estimated gain in sales against the cost of the incentive offered. And in the case of holidays, of course, they can get bulk rates for the air fares, the hotels and all manner of other things. Thus while an employee is very happy to be go-ing to a "prestige" destination like the Behamas, it may not be costing his employer nearly as much as it would seem on the

Motivational agencies spend a lot of time getting companies

accept the idea at all, then to be sure to get their costs right and then to show how well the schemes work. They emphasise that because the reward comes at the end of a period the company is not having to finance the trips out of revenue which has yet to be earned. And the number of prizes can always be adjusted upwards if sales shoot ahead.

Experts in the incentive travel business insist that as the value of money falls so the appeal of rewards in kind in-creases. And they say that there maybe other hidden benefits in sending a batch of employees together on holiday. Among these are the fact that, usually, such holidays increase the loyalty of employees to their com-panies. This can mean that they put in greater effort on their return than they would otherwise have done.

Corporate reaction to all this in Europe varies considerably. The organiser of one seminar in Belgium, for example, noted that the subsidiaries of U.S. companies based there needed little persuading of the merits of the idea. But a number of Belgian companies, including one of the largest brewers in the country, took a long time to grasp the appeal of incentives in any form.

The range of incentives is of course limitless. In recent months a party from Johnson and Johnson has been to Hong Kong, a group from NCR to Yugoslavia and another group from Rollei to Greece. Abbey Life has recently organised a trip for 640 (husbands and wives to Freeport in the Bahamas while another com-pany, more modestly, offers-weekends in Bournemouth.

Incentive specialists say that the issue of whether such trips are taxable on really only be decided on its merits. International companies may be able to structure the trips so that they are paid for entirely by

NORTHAIR TAXIS

subsidiaries based outside the U.K. Ohire companies pay tax

on the travel part of the trip, which is paid for in Britain, but do not pay tax on the rest of it. In any event few incentive houses find that the tax problems put off many companies. They say that the attractions of incentivbe travel in terms of employee satisfaction mean that most companies are willing to deal with the tax issue as and

when it arises. Much depends on the actual organisation of the trip. Companies cannot afford to send their employees on the kind of package tour disaster which has given part of the travel industry a bad name.

Most larger travel agents are equipped to provide a total package for the trip—the hotel, the sightseeing and the rest. Many airlines also offer packages as do some hotel m attracted ov the idea of bulk booking and guaranteed seat and room occupancy.

Some companies, on the other hand, prefer to have nothing to do with the travel agents and negotiate directly with both airlines and hotels. Operating in this way can shave a few percentage points off the cost, but it can also cause problems because few companies are large or experienced enough in the very specialised mass travel business

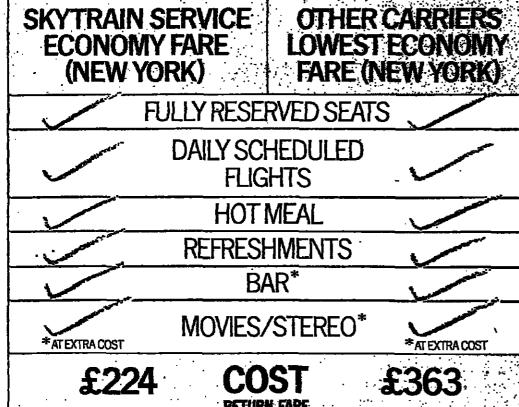
to carry it off well.

The industry expects the market to grow in the next few years and most large agents have isolated incentive travel as one of the key growth areas in the next decade. But the pres-sure will be on to find ever more exotic destinations.

Now that holidays in America are within the reach of the mass market, interest is shifting—to the Far East and even to South America. It may not be too long before Rio supplants the Costa Brava and it, too, has to get used to smal armies of invading salesmen and their wives.

David Bell

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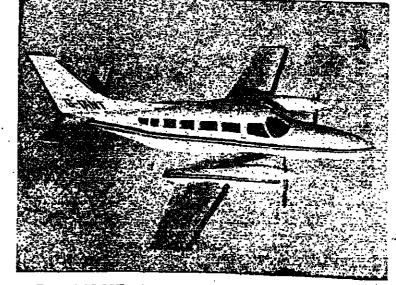
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The flight from Castro

By HUGH O'SHAUGHNESSY, Latin America Correspondent

PRESIDENT Fidel Castro must people is best seen as the result thrive on a diet of disaster.

Cuba is faced with an enormously powerful opponent, the U.S., just over its northern horizon, its economy is rocky. and depends for its survival on large subsidies from friendly countries, notably the Soviet Union, it has virtually no oil, there is governmental incompetence, domestic unrest and no one, friend or foe, expects things to improve over the nextfew years.

Against this sea of misfortune the President—Commander-in-Chief Fidel Castro as he is officialy known on the island -is hurling defiance much as if every new setback made him more determined than before to impose his own order of priorities on a crumbling world.

On the one hand he is chasing his domestic opponents over to Florida in small boats with all the obloquy that he can muster, uncaring of the effect the departure of thousands of skilled people will have on his country. On the other he is making an effort to provide men and finance to aid the newly emerged revolution in Grenada. despite the fact that Cuba itself is in need of skills and money. He is doing something similar

In Africa he is maintaining a big military and civilian force. making light of Mr. Ronald Reagan's calls for military inter-vention in Cirba. While sticking close to his own original interpretation of Marxism-Leninism, he is still seeking foreign investors to come and make money developing Cuba's Washington, took 82 per cent of natural resources. President its exports in 1978, and 77 per Castro has many faults of cent of its imports came from character. Bashfulness is not Comecon. If U.S. computations

what may turn out to be sidies equivalent to about of thousands of 20 per cent of Cuba's annual refugees from a country of 10m Gross National Product.

of a decision by an irritated and his second in command and of starving people and assemblies have, however, Castro to teach a lesson to what defence chief General Raul hundreds of thousands of served as a useful early warning he considered interfering and querulous Latin American

He clearly looks on the refugees as men and women not castin his own heroic mould and therefore not worthy to share with him the task of building a Communist millenium.

The extent of the Cuban President's vaulting ambition is seen in true context if one takes account of the very parlous state of the Cuban economy. The bulk of Cuba's foreign earnings today, as for generations, comes from the export of sugar, whose price is among the most volatile on the international markets. As a result Cuba is at the mercy of foreign buyers, despite the fact that it disputes with Brazil the title of the world's biggest

Good weather conditions and good husbandry can, as last year, lead to a bumper crop of nearly 8m tonnes, yet unrewarding world prices can nullify the production boom.

Cuba's economic anchor in fact is not its own sugar crops but the Soviet Union. Cuba's exports in 1978 were put at \$4.3bn. According to U.S. government sources the Soviet subsidies to the economy in that year amounted to almost \$3bn.

This was principally accounted for by the Soviet practice of selling Cuba oil at concessionary rates while buy-ing sugar, nickel and other Cuban exports at higher than world prices. The Soviet Union and Cuba's other fellow members of Comecon, according to cent of its imports came from are to be believed the Soviet The present departure of Union is today supplying sub-

Castro, have freely admitted in unemployed." recent months, the large and ... And, the President's brother In December last, shortly continuing injection of Soviet added, many Cubans were not after General Raul Castro had funds has not prevented major economic upset Sugar, it seems. is still bringing only about the same amount of money it costs to produce. In 1979 disease 8.5m tonnes. Cuba may produce

only around 7m tonnes. Last

month Sr. Amadeo Blance, a

senior Cuban foreign trade

official, forecast that disease

would not be eradicated until

We don't want quitters in our country.

new resistant canes could be

substituted for the present plants, and that this would take four years. Disease has hit the tobacco

factories in Havana have been 10m tonnes of sugar the Cuban brought to a standstill. Though leader made a public confescigar exports bring in only a sion of his mistake in decreeing in Angola and in favour of the comparatively small amount of it. In the early part of the money, their sale around the 1970s there was a slow and world has always been a cautious move to bring to birth source of pride for Cuba and a limited representational a proof that in one manufac system such as has ben instituring activity at least its tuted in the countries of technicians were paramount. There will be few Havanas on blies of "popular power" were the market this year.

These disasters have left At the end of November last year General Raul Castro consed that without Soviet help

But as both President Castro ruptcy, with its consequence after it got under way. The

"indiscipline, lack of control, similarly frank interview with in 1959. At this point reports the Paris daily Le Monde last emerged of crude wall slogans month Sr. Carlos Rafael and leaflets being seen in Rodriguez, one of the vice Havana, for the first time since presidents, admitted that many the earliest days of Castro rule. Cubans were tired of making

an effort. Fidel Castro.

One of the principal tasks of over the Soviet invasion of the Government ever the past Afghanistan. decade has ben to locate and minimise this discontent by Havana last August President installing as many political Castro had been chairman of conductors lightningfi possible._

In 1960 after the failure of crop so hard that many cigar an enormous effort to preduce Eastern Europe, Local, provincial and finally national assemthe result.

These bodies never put into their mark on Cuban society. question the Marxist-Leninist At the end of November last system, or questioned the executive decisions of the leadership. Cubans were not told about the island would be undergoing Cuban military involvement in diplomaty to find some sort of economic disaster and bank- Angola until several months face saving compromite which

system of popular grievances. rising to the challenge of the delivered his critique of Cuban situation. He complained of society, a large number of administrators lost their jobs irresponsibility, complacency, administrators lost their jobs negligence and personal and ministries were abolished ravaged the cane and against a favourtism" among officials in the biggest drive on bureautarget for the 1979-80 crop of which generated justified and cratic incompetence seen since widespread unrest. In a the beginning of the revolution

> December, too, presented a big diplomatic poser for Presi-"Certain people may have dent Castro. Having lost a long thought that the sacrifices drawn out wrangle in the UN demanded by the construction to get the necessary votes to of socialism are excessive," he obtain a seat on the Security Council, be faced a dilemma

> > Since its summit meeting in the Non-Aligned Movement This post was the peak of his ambition—or perhaps an interim peak in his ambitions. It singled him out as a chief leader of the Third World and

Mengistu Government Ethiopia were acknowledged by his new distinction. When the majority of the Third World expressed condemnation in the UN of the Soviet action against Afghanistan, President Castro's leadership was to be called into question. But he was hardly in a position to vote against the

Soviets. • •

his country's military ventures

: In the months since the invasion Presiden tCastro has put his Foreign Minister, Sr. Isidoro Malmierca bad to work in secret



A Cuban refugee kisses the ground on arriving by shrimp boat at Key West in Florida

would allow the Russians to pull with no more than the clothes and the like it would be only back from Kabul, or at least to on their backs. slim down their forces. In this he has benefited from the subtle attempts of the Austrian Chan-Afghan affair. Once again President - Castro has sought triumph out of danger and

defeat: Early on this year it was clear that none of that activity was going to put an end to the unhappiness of many Cubans with their way of life. This was confirmed when what one suspects was an impetuous, not say petulant, move to take

· Making a virtue of necessity

and seeking to cast dishonour on those who had rebuffed his cellor, Dr. Bruno Kreisky, from rule Castro last month said anyone could leave who wanted to leave. "We don't want quitters in our country." Castro said, adding: "Socialism is devoted to it in the western media. Haiti was quirkily, connection war of the free world. Vienna to get a solution to the anyone could leave who wanted well that the majority of the

refugees who are going through the small north-coast por tof Mariel are not miscreants and malefactors. But it seems clear nounce the fact in the other undesirables. Havana with the feeling that he has Comunist Party daily Granma— would reason that if the U.S. not quite realised the damage caused 10,000 Cubans to invade taxpayer had to pay for prisons the embassy and quit the island for a few misfits, dope addicts the Cuban economy.

a small recompense for the damage caused by years of U.S. economic blockade.

In the wider context of the Caribbean it must be said that for decades a similar exodus The Cuban Government knows sidered as part of the free world. Havan cannot expect its

opponents to be as silent about

the exoduc from Cuba. As the exodus from Mariel continues President Castro sees that the Havana authorities are his reservoir of potential domesdiluting the tide of economic tic embarrassment drain away. the police guard off the and political refugees with a From his point of view that is Pernyian embassy—and an sprinkling of criminals and all to the good. But one is left to the image of his society and

Letters to the Editor

Heavier loads

From Mr. P. Mortimer.

Sir.-Department of Trade submissions to the Armitage enquiry on heavy goods vehicles weight limits gives cause for concern on a number of points; not least of which is the overt support being given to the case for increased weight limits supported by the haulage inrail carryings. The evidence from the DOT would appear to centre on expected operator cost savings and reduced road damage, both of which could and should be called into question.

A heavier vehicle, even with load limits must be more exepnsive to operate additional tyres, brakes and running gear to maintain. I can hardly believe, whatever the Road Research Laboratory report that heavier vehicles will cause less damage to road surfaces especially if one looks at the miles of "tram lines" corresponding to HGV wheel spacing on trunk road and M-ways and the widespread M-way repair programme throughout

Perhaps even more worrying is the implicity assumption that some bulk rail traffic could become road competitive if higher vehicle limits are accepted. In a period of concern over fuel/ energy use the expectation that larger trucks should be accepted for bulk movements capable of being handled efficiently and economically by rail gives cause for concern on the future direction of trans-port policy in the UK. Can the DoT be seen any longer as an impartial body or is it a hidden **POIICY**cell of the road lobby?
On accidents the DoT in- From Mr. H. Darling

limit vehicles might (might!) be expected to decrease.

Frank K

 $_{\rm int} \, \, \rm ferm$

Section 2

One cannot but be sceptical Present vehicles have displayed some extraordinary teristics, including a notable tendency to roll over at low one claim additional safety as a benefit if a heavier vehicle was to roll or lose control in a crowded town o refty centre? The overt modal bias displayed by the DoT on this issue and its implied support or indifference to the prospect of: the erosion of rail freight liftings is profoundly disquieting.
One wonders will the DoT change its views when liquid hydrocarbon fuel is physically

P. N. Mortimer. 12 Seymour Road. Upper Shirley, Southampton.

scare and prohibitively expen-

Paying the rates

From Mr. B. Engert Sir.—In their article (May 3) on the local authority elections Robin Pauley and Ray Perman tine. Environment Secretary, return with rents that are because his theories that rate-payers will rebel against high only be done by redressing the rating. Labour authorities and balance of tax and interest rate support low rating Tory authori- incentives between tenants and

ties have been demolished "-in owner occupiers. Tenants must up to vote and of course succeed under the iniquitous system of local rating by imwho really pay.

In the area of the East End rates are overwhelmingly paid by trade and commerce who have no vote at all and therefore no say in how much is raised, from whom, and how it should be spent. Much local authority expenditure in Labour areas is blatant political bribery. present day equivalent axle e.g., those authorities such as Lambeth who have made no increase for three years in council house rents, safe in the knowledge that this will be paid for by those who enjoy no such event totally unjustified in the overwhelming majority of instances on grounds of need.

> I very much hope that Michael Heseltine will see that spendthrift Labour local authorities are not able legally to put their hands in their opponents' pockets and at the same time claim justification for what they are doing by their spendthrift actions.

B. Engert. Robinswood,

Housing policy

dicates that the number of in-Sir, — Your column has cidents involving high weight carried a debate recently on Sir, - Your column has three aspects of housing policy house ownership mortgages and interest rates, fair rents of such assertions given the and long term rented property DoT's own reservations on provided by the private sector, centres of gravity and housing as an investment of vehicle stability in comparison with the stock market. These three areas are policy must relate the three in coherent manner. I should speeds at roundabouts. Could like to propose a new housing policy which would do this effectively.

> As with all complex political policy issues, there are conflicting objectives. I suggest that three main objectives in these areas are: - to increase home ownership and to help first time buyers in particular: to reverse the steady and nearly rented sector; and to encourage private capital to flow more productive enterprise rather than into housing for

Owner occupation.

Taking the private rented sector first, it is not possible for a landlord to achieve a commercial return on the vacant possession value of a house because average families could not afford the rents this would require. No amount of tinkering with the fair rent regu-lations will correct this lations will fundamental imbalance. House prices have to be brought down state "Nevertheless, the results in real terms, so that landlords are a blow to Mr. Michael Hesel- can achieve a commercial

place. In a large proportion of Owner occupiers will have to those areas and in all too many suffer commercial interest rates. others the ratepayers are a no tax deduction for mortgage minority of local voters, many interest and a new annual tax of whom are egged on by the on owner occupation. A regime Labour Party who demand more of this sort, painful as it would and more for those that turn be initially, would certainly revive the private rented sector.

. It has been argued that this posing their will on a minority regime (higher interest rates in ere I work the buyers. This is not so. House prices adjust to the level of buyers can afford to purchase houses with mortgages that a reasonable proportion of their earnings. Building society managers ensure that size of mortgages to buyers this happens by tailoring the earnings. The regime I propose would, after a period of adjustment, produce lower house prices in real terms. First time buyers would gain from this because they would have to raise smaller deposits.

The third policy question concerns housing as an investment versus quoted and unquoted securities. The tax and interest rate incentives for owner occupiers have created a very damaging distortion here, by making housing a far better investment than the shares of productive enterprises. Large sums of personal capital have been taken off the stock exchange in recent years and directed into housing. A less obvious but more serious con-sequence is the amount of private capital that might have been put into forming new companies, but has gone into houses instead. A regime for owner-occupiers of commercial interest rates, no tax deductibility of interest and a new tax on owner occupation would help redress the balance consider ably Houses for owner occupation have the further benefit of relief from capital gains tax. The removal of this relief is not practical because it would have a serious adverse effect on job mobility. The only way to remove the capital gains tax advantage of investing in houses is to take it off from investments in quoted and

unquoted shares. believe that this regime would be of benefit to first time buyers, to the private rented sector and to the productive sector of the economy. The losers would be existing owner occupier (myself included) who would cease to make the excessive capital gains of recent That seems to be a very fair resolution of the conflicting objectives in these three areas of housing policy.

H. N. Darling. Waldemar Avenue, SW6.

Purchasing policy

From the President. Institute of Purchasing and

Sir,-A number of features of the long term public purchasing plan (May 1) to improve the competitiveness of British industry are complementary to the findings of the recent analysis by the science policy research unit (SPRU) at the University of Sussex. The latter (reviewed on April 23) clearly blames the shortsighted policies

fact, nothing of the sort took be given full tax relief on rents. vation. The evidence of this is have bank accounts. The matter apparent, for instance, when of extended lying time between comparing inventories of home work done and payment made, produced capital equipment as well as the 42 hours required foreign competitors.

> and should, indeed, be better co-ordinated tο achieve improved industrial performance, but this will also require particular) would create an many sacrifices and compromises additional burden for first time among purchasing organisations national standards and to operate in the future new designsof plant and equipment in conjunction with that on which they have standardised and capitalised in the past. For production management it will mean adopting the "Michael Edwardes" philosophy in securing the necessary commitment produce good products on time and at a fair price.

As between producers and customers it is also important to reach decisions quickly, avoiding the risk of impairing industrial performance in foreign markets because of bureaucratic delays at home.

The plan should receive widespread support but it will not be able to transform the competiveness of home industry overnight. will require a carefully: orchestrated exercise in cooperation, compromise and commitment.

J. R. Gammon South Western Electricity. Board, Electricity House,-Colston Avenue.

Flinging money around

From Mr. J. Hobbs. Sir.—There are two things states that Doxford made "a which are absolutely certain; fundamental design blunder in inflation is caused by Governabusing their power by exactwork which prices them

It is up to the Government to deal with the first and for moderate their unions to demands until all their members have employment if they

John H. Hobbs. 26, Boulevard des Moulins, MC. Monte Carlo.

Low standard of living

From Mr. C. Dilloway

Sir,-The unexplained phenomenon of the Creat British Unbanked (May 3) is almost certainly explained by our relatively low standard of living That Italy and Spain are simi-larly unbanked is certainly strong circumstantial evidence. While a sizeable proportion of the population have to spend iust about all the week's money to live for a week neither they nor the banks are interested in

The banks' propaganda effort is two pronged. Attract indivi-dual account holders and persuade employers to pay less frequently than weekly. Not of many British firms in failing surprisingly 34 per cent of 181 Queen Victoria Street, EC4.

current accounts.

to respond to the need for inno- weekly cash paid employees with those of corresponding to pass a credit through the banking system, are ignored by The potential spending power of the public sector is enormous and should indeed by heart spending power the banks as they have no potential for profit improvement. So amount in the public sector is enormous and should indeed by heart spending are ignored by use bank accounts as it suits them. The situation is static in

near equilibrium. Perhaps in this decade we will among purchasing organisations, raise our standard of living in this country, including a through the banking barrier as readiness to accept more inter- other European countries have before us. The change might take place more quickly if we had voices raised advocating and supporting a higher standard of

> C. C. Dilloway. Higheroft. Gunhouse Lane, Bowbridge, Stroud, Glos.

Doxford: engines

From Mr. M. Wilson Sir - Your correspondent William Hall writes (April 26) on events leading up to the proposal to close Doxford Engines Britain's only company designing and building speed engines of all-British

Mr. Hall, however, is incorrect in stating that Mr. Robert Atkinson left Doxford because of his board's decision to build the larger "J" type engines. In fact the J-type engine was not designed when he left to head the engineering division Tube Investments. During his time at Doxford he gave impetus to the "P" engine and breathing space until au improved version could be introduced.

Your correspondent the start of the 1960s in pinning ments spending each week more its faith salely to the opposed-than the revenues gathered in piston engine." A little over the previous week; and unem- two years ago, however, there ployment is the result of unions was such confidence in Doxford that the company had 22 large ing payment for their mem- engines on order, more than all other engine works in British out of the world labour market. Shipbuilders put together. To class the Doxford engine as a "design blunder" does a dis service to such a major British company as Bank Line which has standardised its fleet on Doxford engines and which has taken 63 Doxford engines since 1937 for its ships: Bank Line's most recent class of fast cargo liners are all propelled by the latest Doxford engines. Ellerman Lines, Furness Withy, Reardon Smith and others are all competent companies well capable of avoiding design blunders yet they and many others in Greece, Yugoslavia and elsewhere have specified and operate Dexford engines.

You publish that because of their sheer size, Doxford engines were not suitable for many ships "such as ferries." But ferries form a very small proportion of world shipbuilding any time and the present Doxford engines—for powers of 5.000 to 30.000 hp—are capable of propelling about 90 per cent of other ship types ordered -including container ships of less than 1,600 gross tons. In fact, the latter ships have 5.000-hp Doxford engines with only three cylinders. W. Wilson.

UK: Building pay talks, Mr. David Howell. Secretary

for Energy, addresses conference Wilton Park. Sussex, on politics and economics of energy, natural resources. National Federation of Subpostmasters conference opens.

Torquay Town Hall (until May Institute of Professional Civil Servants annual conference opens, Eastbourne (until May

Civil and Public Services Association annual conference opens, Southport (until May 16).

To-day's Events

"National Union of Seamen's biennial meeting opens, Hull City Hall (until May 17). Overseas: European Central Bankers meet in Basle for twoday monthly meeting. Parliamentarians from

nations on both sides of the Iron Curtain meet in Brussels OFFICIAL STATISTICS to access compliance with the 1975 Helsinki agreement OB security and co-operation in

Europe.
PARLIAMENTARY BUSINESS. House of Commons: Private

Members' motions until 7 pm Second reading of the Iran (Temporary Powers) Bill. House of Lords: Industry Bill. report stage. Motions to approve Southern Rhodesia (Sanctions) Order 1980 and Zimbabwe (Independence and Membership of the Commonwealth) (Consequential Provisions)

Central Government transactions (including borrowing requirement) (April).

COMPANY MEETINGS See Week's Financial Diary on

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· · · ·	·		٠.	No of Employ	moe ·	•	

FT12/5/80

Send this coupon to: Tom Wardell, Group 4'Pay Services, Farncombe House.

Broadway, Worcs. WR12.7LJ. Telephone: 0386.858585. Telex: 338571.

Offer for sale values Peerless at nearly £13m

today for the offer for sale by merchant bankers Singer and Friedlander of a quarter of the kitchen furniture and hot brass equity in Peerless, a Birming- and aluminium fittings. hham based diversified consumer — The breakdown of p

25p shares, at 100p each, valu-

Peerless was founded in 1920 Peerless was founded in 1920 per cent, water fitting and as a manufacturer of hot brass kitchen furnture 21 per cent and stampings and machined parts metals 30.5 per cents for the building industry. The current chairman and two joint" managing directors are sons of the founders, Mr. W. P. Jonesand Mr. W. D. Jordan. Since the company's inception shareholdings have been dispersed throughout the two families. At present htere are some 40 family shareholders with another 10 executive employees holding

The fairly wide spread of ownership is one of the main reasons for the company coming to hie market. Members of the family wanted their investment to be in a mraketable security, thoug no single investor is sell-ing out altogether. On average the disposal is around 25 per cent of each holding hir for some individuals the figure is up around 35 per cent. After the of shares in the offer will be able to sell any of their remaining holdings during the next three years without permission of

director, estimates that after taking in the immediate family and trusts that figure would rise

plastic products, time controls posed d for central heating, electronic covered, taxi meters, water fittings,

The breakdown of profits in roducts groups.

The offer is 3,181,800 ordinary current year to March 31, 1980 shows that plastics made a conthe whole company at tribution of 30 per cent, electro-mechanical and electronics 18.5

> The company's record shows that turnover has expanded from £11.5m in the year to March 1975 to £26.94m in 1978-79. Over the same period profits before tax have increased without interruption from £992,000 to £3,277,000. In 1978-79 there was a substan-tial increase in profits of £1.37m helped by a big advance from the electromechanical/electronics

The nine month profit to December is £2.97m on sales of £22.82m and the directors are indicating that the full year to last March produced profits of not less than £3.8m on sales of £33.3m. This profit is before the share of trading losses of New-peer (which has now ceased to trade) of £83,000, extraordinary costs of closing Newpeer amounting to £195,000 and a provision of £81,000 against goodwill.

An interim dividend has

already been paid to shareholders, but no further dividend will be declared in-respect of 1979-80. In the absence of un-After the issue the directors and their families will own 12 per cent of the capital. Mr. Alam G. Jones is in the absence of unforessen circumstances, the directors say they will recommend a total for the current per cent of the capital. Mr.

On the basis of these figures to nearly 40 per cent.

Our ing the last ten years the company has diversified stantially and activities now There are no CCA figures but yield of at least nine per cent.

Turning to the future the directors say that prospects for all divisions, with the exception of brass components, are encouraging in the short term. But the group's activities have relatively short order books and it is impissible to forecast for the current year.

December 31, 1979, shows net tangible assets of £13.5m, worth 105p per share. Borrowings then totalled £4.8m. On April 18 the company's debt had fallen to

The application day for the issue is Thursday and dealings are expected to start on May 20. Brokers to the issue are Hoare Govett and Murray and Co. in Birmingham.

comment

Peerless has a fine earnings record. Over the past 15 years profits have slipped only onceand that was due to three-day working during the miners' strike in 1974. Because of the for the directors to stick their necks out in the current year but their optimism would seem to be justified given that only probably contribute less than a fifth of group profits, are showing any weakness. The main spur to growth should come fro mthe kitchen furniture and water fittings operations on the back of buoyant D-I-Y sales. There should also be useful gains from central heating clocks, structural foam mould-On the basis of these figures ing and packaging. There is no Peerless is coming to the market comparable company against which Peerless can be measured

Home Farm placing 26%

Cure Myers to bring Home Farm and bacon producer, to the mar-

The placing is 1.2m ordinary 10p shares at 55p each which are being sold by the controlling families and represents 26 per cent of the equity.

The placing price put an overall value on the company of £2im and indicates a 71 per cent yield and a fully-taxed p/e of

Home Farm's principal activity is the slaughtering of pigs and processing them into cuts of pork or sides of bacon. The com-pany also produces sausages. bacon rashers and pork-based

There are also four butchers shops and one freezer food

company operates two slaughterhouses, one at Todwick, staughternouses, one at footwick, Yorkshire, and another at Gainsborough, Lincolnshire. The Todwick unit has a weekly capacity of 2,000. Gainsborough, which was acquired in April 1978, has a capacity of 900. Some £300,000 capacity of 900. is currently being spent on trebl-ing capacity there to 3,000. Government grants for 25 per cent of the cost have been appli cent of the cost have been applied for, and cash flow should cover the rest of the expenditure. Sales have grown from £2.78m in the year to May 31, 1975 to £7.6m in 1978.79. Pre-tax profits over the same period have increased from £103,000 to £390,000. There was one setback in 1977-78 when profits slipped from £279,000 to £259,000.
In the first half of the current

year Home Farm achieved profits

of £394,000 on sales of £5.15m

and the directors are forecast

ing profits for the full year ending this month of not less

A £660,000 placing has been On this basis they are proposarranged by stockbrokers Capeling a dividend of 1.75p per share. If the company had been quoted Products, a Sheffield-based pork for a full year the dividend and bacon producer, to the market.

Sheffield-based pork for a full year the dividend would be 29p per share and the fully taxed cover 2.52 times.

The pro-forma balance sheet dated December 31, 1979 shows net borrowings of £187,000. However at April the company had no debt and the company usually has a net interest credit for the year — it was £10,000 in the first half. Net assets were

Dealings start on Thursday.

comment

The owners of Home Farm have picked their time well to realise part of their investment. Demand for pork is expanding thanks to its relatively cheap price against other red meats—illustrated by the divisional breakdown showing an increasing importance of pork to profits. Margins are rising and in the current year they will probably be over 14 points higher than in 1978-79. Home Farm is about to close its books on its best year ever by far and the trading outlook for the next 12 months is very encouraging. There will also be the benefits of the increased capacity at Gainborough and the first 12 months of the bacon vacuum packing plant at Worksop. The one cloud that could darken the horizon is imports. But in fairness Home Farm weathered those difficulties of 1977-78 well and the strength of sterling and Green Pound revaluations mean imports are no threat at present. When dealings get under way the shares could attract a small premium. Further on however, sentiment could be tarnished by the two executives control of the Todwick slaughterhouse—representing perhaps a third of the book value of

Consolidated Profit and

Loss Account

BIDS AND DEALS

Close vote expected in Assam Trading purchase

proposals will be by shareholders tomorrow when the adjourned extraordinary general meeting

resumes.

The proposals, which are being fiercely opposed by some minority shareholders, involve the injection of Learmonth Property and County Property, both owning properties in Sontboth owning properties in Scot-land and the North of England, in exchange for shares and cash. Learmonth represents the

private property interests of Mr. John Guthrie and Mr. John Malcolm Guthrie, both directors of ATH, while County is controlled by Mr. Kevin McCabe, a close associate of the Guthrie's. Under the deal the Guthrie interests increase their holding in ATH from 55 per cent to 66
per cent, Mr. McCabe takes a
5.8 per cent stake, while the
minority interest is diluted from 39.2 per cent to 24.26 per cent. Since last month's EGM both ATH and Russell Wood and Co (stockbrokers), which is spearheading the opposition to the deal, have circularised shareholders with their views.

In their letter the ATH directors give three main reasons why best capitalise on the strength of ATH" — the buoyancy of property shares over the last 10 years; excellent prospects for selective property development and investment under experienced management; and the fact that certain. ATH directors already have a particular knowledge of property and a successful record in that field.

Russell Wood (which claims the support of 20 per cent of the minority holders) complains that the proposals will result

In what is expected to be a in a dilution of 40 per cent in close vote the fate of Assam ATH "B" holders equity intertrading (Holding's) controverial ests in McLeod Russell (a holding of 38 per cent in the tea group being the company's main asset) and the substitution of "secondary UK property inter-

Russell Wood is critical of the consideration being paid for the two companies, but the directors of ATH have said that they are entirely satisfied that the prices "fairly reflect the value to ATH of the two companies." of the two companies.

As regards the dilution of the McLeod Russell stake ATH said that in place of the reduction in the notional number of McLeod Russell share each "B" holder will receive, under the proposals, "a valuable stake in the new property activities of

The outcome of the EGM is likely to hinge on the holding of Mrs. Elizabeth Legard, who con-Mrs. Elizabeth Legard, who controls S.7 per cent of the total voting rights. Mrs. Legard is the sister of Mr. John Guthrie and the daughter of Mr. John Malcoin wh aiready control 55 per cent of the ATH voting capital.

SIEBENS/DOW

The £15m joint venture package between Siebens Oil and Dow Chemical, appounced on Friday, could be worth an additional £10m under the terms of a mutual spending agreement.
Dr. David Biggins, Siebens
general manager, said yesterday
that Dow could spend an amount equal to Siebens in conjunction with the £10m loan.

"As we devote money to North Sea exploration, Dow will match the sum and we will jointly have a potential spending base of £20m," he said. The money would

Quarter

1979

be used primarily in the Seventh

According to the Sieben annual report about 65 per cent annual report and to be the UK and 5 per cent are foreign-held. Dome Petroleum, the Canadian company, holds 38 per cent of

WESTPOOL TRUST

As a result of the £96m deal in which Lord Rayne is to trans-fer control of his business empire to Westpool Investment Trust, the fully diluted net assets value of Westpool will increase from E12.89m to £109.72m (including the London Merchant Securities interests at market value). This is equivalent to an increase in the underlying net asset value per share from 143.4p to 144.5p.
The deal, which was announced last week, will also involve the payment of a second Westpool interim dividend of 3.5p per share for the year ended April 30. This will be paid to all shareholders on the register on

IMPS/HOJO

May 23.

IMPERIAL GROUP yesterday confirmed that a decision on whether to continue its \$630m bid for Howard Johnson American group, would be taken

by May 20.

But the company declined to comment on reports that its directors have already decided to proceed with the offer. A spokesman for imps said: "No decision has yet been reached." At the group's annual meeting in March, Sir John Pile, the retiring chairman, told shareholders that there were "ques-tions still to be answered." The review of these questions is to be answered.' The review of these questions is scheduled to be completed by next week.

Ultramar in 1980

Excellent prospects for the year



Review of Ultramar Group Financial Results and Operations for the Quarter to 31st March 1980

Summary of Financial Results	1980		
	223.8	200.8	
Operating profit before taxation	31.5	12.2	
Operating profit after taxation		6.8	
Net profit	19.8	9,1	
Cash flow from operations	23.9	11.0	

The financial results of the Ultramar Group for the first quarter of 1980 were once again at a record high. The operating profit before taxation amounted to £31,500,000 compared with £12,200,000 for the first quarter of 1979. The net profit; after taxation and exchange fluctuations, was £19,800,000 for the first quarter of 1980 as against £9,100,000 for the corresponding quarter of last year.

These excellent results were achieved despite a sharp drop in the Group's sales of oil from 280,900 barrels per day in the first quarter of 1979 to 203,600 barrels per day for the first quarter of this year. Refinery runs were also lower. There are a number of reasons for the lower sales volume but primarily it reflects the reduced volumes of crude oil available to us and our deliberate policy of cutting back in the types of business which do not give adequate returns.

Nearly 40 per cent of our first quarter Group profits came from our Indonesian operations where the Badak LNG Plant continues to operate at throughput rates considerably in excess of design capacity. The producing divisions in Western Canada

our refining and marketing operations did well overall. However, the financial return on our large investment in Eastern Canada, although improved, is still not satisfactory. We expect to make an early decision on whether to sophisticate the Quebec Refinery by adding equipment which will give us more light products and less heavy fuel oil.

In the first quarter, we took advantage of our strong cash position to prepay some £34,000,000 of long term debt and thereby reduce our interest costs.

For the rest of the year, our capital expenditure programme will concentrate on exploration and development in Indonesia, the North Sea and Western Canada. We will be participating with several groups of companies to apply for blocks in the forthcoming 7th round of North Sea licence applications.

There are some uncertainties for the remainder of the year but we expect the results for 1980 to be excellent.

Ultramar Group Results for the Quarter to 31st March 1980

Quarter

LOSS ACCOUNT				. пинон		IHUIÇAI	
Sales	,	£223.8		£200.8	£	1,001.7	Notes:
Profit on trading	-	35.0		15.8	. —	106.4	1. Group operating profits are largely in U.S. and Canadian dollars.
Amortisation, depreciation, depletion		33.5 .				10-11-	2. The gain on foreign exchange
and amounts written off	3.5		3.6		15.5		fluctuations of £0.7 million during the first three months of 1980 relates almost
Elimination of remaining unamortised costs in Iran	_		· _		15.5		entirely to long term loans of individual companies repsyable over the years to
Cossimilar		3.5		3.6		31.0	1993.
Operating profit before taxation		31.5		122		75.4	Translation and conversion exchange rates used by the Group are:
Taxation on operating profit		45					31st 31st 31s March March De
Current	8.3 4.1		29 25		15.6 14.5		1980 1979 197 £1 equals U.S.\$ 2.16 2.07 2.3
Deferred	4.1	12,4		5.4	14.5	30.1	£1 aquais Can.\$ 2.58 2.40 2.5 U.S.\$1 aquais Can.\$ 1.19 1.16 1.1
Operating profit after taxation		19:1		6.8		45.3	U.S.\$1equals-Sw.Fr. 1.85 1.69 1.5
Foreign exchange fluctuations (Note 2)		0.7		2.3		1.5	4. The Group's entitlement to income from Indonesian LNG sales is included in the profit and lace account of the profit account
t ordigit avoilaring indoceanations from by	. :			•			the profit and loss account after deducting transportation, liquefaction
Net profit		19.8		9.1		46.8	costs, and debt service on the loans raised by Pertamina to finance the whole
Dividends Convertible Redeemable Preferred Shares	0.2		0.3		0.9		of the construction cost of the Badak LNG Plant, which is operated on a break
Ordinary Shares —	-		0,0		Q.O		even basis. In order to match income will these deductions, the Group's
Interim 5p per share	-				2.3 4.6		entitlement is adjusted to reflect an equi annual charge for debt service, rather
Final 10p per share Advance Corporation Tax written off	0.1		0.1		4.6 3.4		than the uneven repayment schedule established for the loans, all of which an
Advance Corporation tax written on		0,3		0.4		11.2	repayable within a 12-year period starting in 1977. Effectively, therefore, the cost of
							the plant will be fully amortised by the end of 1989.
Earnings retained for the period		£19.5	-	£ 8.7		£35.6	5. Long term loans prepaid during the first three months of 1990 were
Cash flow from operations		£23.9	••	0.tf3		£86.3	Urusecured Canadian Bank Loans (Can.
-							\$30 million) due in 1984 and the Indonesian Project Loan (Long Term
Earnings per Ordinary Share Basic	٠.	41.8p		19.6p		99.3p	portion U.S. \$48 million) finally due in 1985. The Project Loan is still available a
Fully diluted	• .	37.2p		17.40		88.1p	a term facility until 1985, reducing by \$2.5 million every three months.
				First		First	
Consolidated Statement of Sour	сеап	d	(Quarter	Q	uarter	•
Application of Funds		- .	£	1980 million	£n	1979 nillion	
Source of Funds							
From Operations:		_					
Operating profit after taxation	-			19.1		6.8	
Amortisation, depreciation, depletion and amounts written off				3.5		3.6	•
Deferrred taxation on trading profits. Indonesian debt service equalisation (Note 4)			•	4.1		2,5	
Indonesian debt service equalisation (Note 4)	,			(2.8)		(1.9)	•
Cash flow from operations		. •		23,9	•	11.0	
From other sources: Long term loans raised				1.8		0.1	
Exchange adjustments due to currency realig	nment	5		1.1		0.6	
		• .		£25.8		E11.7	
•	-				· •	.:	
Application of funds Acquisition of subsidiary companies			-	-			•
Additions to fixed assets				8.5	· '	3.4 6.5	
		-			-		•
Capital expenditures			•	8.5	1	9.8	
Prepayment of long term debt (Note 5) Portion of long term debt now due in one year				33.8 0.6		22	
Convertible Redeemable Preferred Shares dividend including Advance Corporation						,	
£0.1 million (1979 £0.1 million)	ı			0,3		0.4	
Miscellaneous items				0.2		(0.3)	
(Decrease) in working capital				(16.6)	_	(0.5)	-
-				£26.8		11.7	
Working capital at 31st March 1980		,	•	£37.7		20.3	
- •		•			-		·
Long term loans at 31st March 1980				£44.1	5	285.1	
	. •	•				 -	
	*********	···		First		First	
Operating results				luarter	Qu	arter	
Polos de l'Association de l'				1980		1979	
Sales of oil (barrels per day) Oil refined (barrels per day)				03,600 83.800		0.900	
Oil produced (barrels per day)				8,800		5,700 9,200	
Gas produced (thousands of cubic feet perday) Gross wells drilled	: -		1	69,800 15	17	1,800	
Oil and gas wells completed (in which the	:					. 8	
Group has varying interests)	∵ .			13		5	-
	•		•			-	



BOARD MEETINGS

BOARD MEETINGS

tritarims—Akroyd and Smithers, Brazil Fund SA, Dubiller, E. J. Riley. Finals—British Home Stores, Franch Kier, King and Shaxson, Macdonald Mertin Distillaries, M. Mole, More O'Ferrall, Secutish Northern lovestment Trust. Tysen (Contractors). Young Companies investment Trust. Furture Dates

they remain a good purchase for the longer term and should be

worth picking up on the dull market days that may obtain in

Options which, if exercised,

will cost nearly A\$8m have been entered into by Australia's Amad

in acquiring eight old gold mines in the Mount Magnet area of

Western Australia. The most important of these is reckoned

to be the Wheel of Fortune mine where 40.569 ounces of gold were

the nearer term.

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NOTICE TO SHAREHOLDERS

Meeting held on 16th April, 1980 a dividend of Frs. 10.00 per-

share of Fra. 100.00 nominal for the year ended 31st December,

Kingdom will receive Frs.7.50 per Certificate of Frs.100 nominal. Coupons will be paid at the rate of exchange on the

Following a Resolution passed at the Ordinary General

On presentation of Coupon No. 27 residents of the United

.Under the terms of the Double Tax Convention between France and the United Kingdom, residents of the United

Kingdom Will receive, subject to the completion of Form RE-4GB, on grafter 15th January, 1981 an additional Frs. 5.25

per Bearer Share thus increasing their dividend entitlements to

submitted at anytime up to 31st December, 1981.

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London EC2P 2DL

Holders are advised to submit Form RF-4GB at the time of resentation of Compons but the Form may, however, be

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Coupon Department, St. Albans House, Goldsmith Street,

Cobies of the Annual Report and Accounts are available in

from whom appropriate claim forms and further information

French and in English on application to S.G. Warburg & Co. Ltd.

BY KENNETH MARSTON, MINING EDITOR

FOLLOWING a decade in which assets more than doubled and gross income increased five-fold. London's Selection Trust is now broadening the basis of its earnings so that no single mineral will contribute the major portion of revenue.

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whather dividends are interime or finals and the subdivisions shown below are based mainly on last This policy, which aims to counter the effects of commodity year's timetable. price swings, will develop with the full fruition of the group's new mines. In his annual state-ment the chairman, Mr. John Du Cane, points out that in a couple of years the rising contribution of precious metals, for example, will acount for more than onefifth of total sales revenue.

At the same time emphasis will be put on finding "the next generation of mines" rather than making further industrial acquisitions. "Mines still remain one of the safest forms of investment over time." says Mr. Du Cane, adding "the group's grass roots' exploration approach is the most effective way of obtaining new orebodies."

Next year will see the start of commercial production at the Australian Tentonic Bore and Canadian Selbaie (formerly Detour) copper-zinc-silver mines and at the U.S. Alligator Ridge gold deposit in Nevada.

HOMO

This year, further growth in income and assets is expected with a full year's operations at the Agnew nickel mine in Western Australia, the Unisel gold mine in South Africa and higher dividends from the 7.56 per cent holding in America's Amax, "truly one of the outstanding mining groups of the

Selection Trust shares cannot recovered over the 14 years to be regarded as cheap in the cur1912. Amad is controlled by rent recessionary climate, but Golden Grove Mining.

1979 is now payable as follows:

Frs.12.75 per share.

can be obtained.

Settlement of Additional Payments:

INSURANCE

Ruling awaited on forum shopping

BY OUR INSURANCE CORRESPONDENT

choose in which of several pos- the English proceedings would sible courts he will bring his not be concluded before the U.S. action - has so long been a claim was determined. Straightfeature of the compensation away a claim for \$5m was lodged claim scene, that it might be in the Texas state court. thought that liability insurers, Thereafter in England the with it - indeed stoically to grin and bear it.

choice with an eye both to the most favourable pro-plaintiff liability laws and to the most favourable methods of assessing compensatio. And as Lord Denning noted in his judgment in Castanho v Brown and Root ten times larger than could be obtained in the English courts.

A fortnight ago the Courts. A fortnight ago the Court of Appeal gave leave to the defen-dants in Castanho v Brown and Root (UK) Ltd. to seek the views of the House of Lords. So finality has not been achieved and insurers and lawyers must

The action arose from an accident on an oil rig supply ship off Great Yarmouth, in February 1977, when a Portuguese employee was rendered quadriplegic in circumstances where his employers were clearly liable.

wait, perhaps for a year or more, to be sure of the out-

The employee, Castanno, commenced an action for damages in England in September 1977, and in March 1978 an order was made for the payment of interim damages of £7,250: in December 1978, a further order for interim payment of £20,000

the defendent's employers in suing his employers in Texas, it Texas, thereby enabling seemed "entirely legitimate" Castanho to claim far more for him to do so. compensation; their offer was __ Perhaps Lord Justice Shaw on the usual Texas contingency; put his finger on the vital point fee basis, the lawyers' share to towards the end of his judg-be one-third of any out-of-court ment, when he dealt with they had to litigate.

attorney—"champertous in the damages that can be obtained in extreme to English eyes" the U.S. and are aware of the according to Lord Denning—was opportunities of forum executed, conferring on the shopping, so they must fix their Texan lawyers exclusive powers premiums accordingly.

FORUM SHOPPING — the to represent the claimant in the ability of the claimant to U.S. A clause therein stated that

Thereafter in England the compensation lawyers, and the claimant and defendants became courts would have learn to live entangled in the technicalities of the rules of the Supreme Court: indeed, as the dispute is now going to the House of Lords, they are still so entangled. The technical argu-The claimant exercises has ment is over whether the claimant, having had interim payments in the British action, is entitled to discontinue his legal process in Britain,

and pocketing perhaps £1.5m (net of lawyers' contingent fees) against the £150,000/£200,000 damages he would probably obtain in English courts.

Lord Denning decided that the claimant must continue his claim in Britain, but the other two judges held otherwise. Lord Justice Shaw clearly had no qualms about forum shopping— he said that if someone reduced to a human wreck could seek amends in a more generous environment, "his misfortune is the more offset by that fortuitous circumstance...the pursuit of that satisfaction is to be commended as justifiable, not to be condemned as avaricious... it would be less than humane to deny such a victim the opportunity to pursue his claim for compensation wherever it would evoke the most generous

In much the same vein, Lord In June 1978, a firm of Justice Brandon held that if lawyers in Houston, Texas, the claimant could derive such offered to raise a claim against great financial advantage by

settlement, or 40 per cent if insurance: insurers of international and American corpora-In February 1979 a power of tions are aware of the level of



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LIMITED 32 St. Mary at Hill _London EC3P 3Aj

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£000's capitalisati	n. Company	Last Change price on week		Yield %	. P/E
3,916	Airspring	86 +1	6.7	10.2	3.9†
775	Armitege and Rhodes	31 -	3.8	12.3	2.01
8,401	Bardon Hill	275 —	13.B	5.0	8.1†
800	_County Cars 10,7% - Pf	-89	45.3· ·	19.1	<u> </u>
6,420	Deborah Ord,	- 932	5.0	5.4	10.2
	Frank Horsell	115 +3	7.8	6.9	7.1
14,591	Frederick Parker	101 —	12.8	12.7	4.6t
2.278	George Blair	107 —	18.5	15.4	<u>-</u> †
1.725	Jackson Group	89	5.2	7.5	4.11
14,908	James Burrough	108 -4	7.2	. 6.7	9.5
2.907_	- Robert Jenkins	295	31:3-	11.0	·-9:1†
3,415	Torday	222	14.3	6.4	5.81
2,992	Twiniock Ord	14 -12	0.8	6.0	2.7t
2,852	Twiniock 12% ULS	75 —	12.0	16.0	
	Unilock Holdings	48 :	2.8	5.4	10.2
6,268	Unitock Holdings New	45 -1			9.6
990	Walter Alexander	93i	4.4	4.7	6.2
11,749		200 +3	12.1	6.1	3,31
4,66B	W. S. Yeater	- AU : T3	44.1		3.31

† Accounts prepared under provisions of SSAP 15.

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rate for deposits received not later than 16.5.80.

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The Association of International Bond Dealers Quotations and Yields appears, monthly in the Financial It will be published on the following the will be published on the following dama in the menender of 1980:

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SHARNA WARE LTD.

INCREASED PROFITS AND DIVIDEND

The 14th Annual General Meeting of Sharna Ware Limited was held on May 9 in Manchester. The following is the circulated statement of the Chairman and Joint Managing Director, Mr. Sydney Orchant:

It is again my pleasure to report increased profits up 17.3% from £914,980 to £1.073,251 with a further strengthening of the Group's financial position. All Companies have

The Manufacturing division has had another successful year and its products continue to attract wide popularity. The new factory is now near completion and although the removal may cause some disturbance in production the premises should be a considerable asset to the Company's

All depots in the Wholesale division have made and continuing to make increased profits.

With the relaxation of dividend control the Board are recommending a final dividend of 2.0691p per share which together with the interim dividend of 1.26p gives a total for the year of 3.3291p an increase of 25 per cent. The Board view the future with confidence.

In conclusion, I extend thanks to my colleagues and all employees who have helped to produce such good results.

Insurance Corporation records outstanding growth during 1979.

I am pleased to report again an increase in both premium income and increase in both premium increase in both premium increase in both premium increase income and profit of the company. Premium increase after rehistrance tose to IRSS42 minuti IRS25.3m in 1978 and profit below. tocation was IRIS Am compared with IRES 6m. Profit attention was IRES 2m compared with IRE2.1m, an increase

944 851 derwijng account vasinant income 5,003 3,278 Excrings from non-underwiding Earnings from: executive compa

4,294 729 5.394 on of RE20m the net earnings amounted to IRC333m gMag earnings per share of 59,15p with brand of IRC2 5m to general reserve. We recommend a final dividend of

5.7250 net per stere, which logether with the interim dividend of 2.4p net per share paid in November 1979, makes a total of 8.1250 net per share. At the end of the year capital and liese reserves, including appraisation of Investments and other assets 0/67 balance sheet values, were substantially in excess of half our premium income.

In excess of helf our premium income.
Despite continued inter-company and inter-broker competition, our Fire and Accident Departments increased net premium income to IRE23.6m and the net premium income of the Marine, Avistion and Fishelt Departments race to IRE5.5m.

Our subsidiary Life Company continued its expension in its fifth year of operation with net premium income of IRE4.7m (IRE4.7m).

The Grobond investment Fundsperformed very satisfactority in a difficult veer for investment. During the year the

performed very satisfactorily in a difficult year for investment. During the year the ofter prices of the Funds advanced as Grobond Property Fund 13.7% Grobond Equity Fund 10.5% Grobond Gilt Fund 14.2% Grobond Managed Fund 12.9% Following the acquisition of 30% of the shares in Credit France Bank, which brought our shareholding to 50%, we extended the offer to the other

extended the offer to the other shareholders on the same terms. We now have 77% of the shareholding in the company which has retained its quotation on the Stock Exchange.

As regards the future, the state of the extractiny not alone in Ireland but also in many other countries gives rise to concern. Inflation and a lack of satisfactory growth in real terms, influenced amongst other factors by spicaling oil prices, are causing problems which in many respects are stiff to be faced. In such circumstances it is difficult to forecast.

Nevertheless your directors are Nevertheless your directors are confident that the company, as in the past, will continue to show

CORPORATION Conjectific Report and Accounts may be

INSURANCE (P)

The Secretary. The Institution Corporation of Iraland Limited. Burdington Road, Dublin 4.

EUROPEAN COAL AND STEEL COMMUNITY ("ECSC")

French Francs 150,000,000

14 1/4 % BONDS DUE 1986

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mque Louis-Dreyfus Banque de Neuflize, Schitmberger, Mallet Banque de Paris et des Pays-Bas Belgique S.A. Benque Populaire Suisse S.A., Laxembourg Banque Privée de Gestjort Fanoncière

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April 3, 1950

INTERNATIONAL BONDS

BY FRANCIS GHILES

Run-up to the Big Apple

in the bond markets: a record weekly volume of new dollar issues denominated launched—\$385m—and seasoned issues posted gains of nearly one point, Interest rates continued to fall: the six-month Libor rate fell two points during the week to 112 per cent while at least one US, bank cut its prime lending rate to 17 per

Last Friday, however, trading was low ahead of the annual meeting of the Association of International Bond Dealers, which takes place later this week in New York.

Further evidence that the U.S. is sliding into recession of concession to the investor.

Dollar bonds met profit-taking during the last two trading days as Eurodeposit rates rose—the announced issues have been where in 480 BC a total of trading at substantial discounts 215,000 Persian soldiers trading at substantial discounts 215,000 Persian soldiers factors will not go away, not in pre-market business. This was attempted to pass through a gap least the vulnerability of the notably the case with the \$75m just 20 yards wide." Thus U.S. currency.

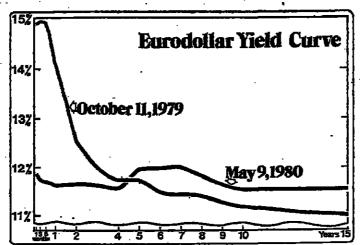
CREDITS

ON THE face of it, all is well 15-year issue for the EEC, which in the bond markets: a record offers the investor a yield of 11.07 per cent-felt in many be somewhat was quarters

> Some of the bad habits of the market reasserted themselves. While coupon cutting has not been in evidence, if only because many of the issues carried pre-fixed terms, some have been patently mispriced, though often saved from tracing at a discount by the very sharp fall in dollar interest rates since Easter.

declined from 15½ per cent before Easter to just over 11 per cent last week. This level offers precious little in the way should have made for a strong market in bonds. The real picture, however, was somewhat ever, such as the \$500m tap issue for Sweden, have been trading at a premium of 109

six-month rate by 1 per cent on "The situation is analogous an outcome, as the underlying Friday. Some of the newly- to the pass at the Thermophyae strength of the market remains



Kidder Peabody's weekly telex to investors sums up the situa-tion. History records that the Persians got through but got their come-uppance a little later.

It is too early to forecast such very great. But other worrying

The strength of the Deutsche Mark is one factor which explains the welcome reception new D-Mark foreign bond issues are receiving. Two issues completed last week, for Sweden and Oesttereichische Kontroll-bank, were increased in size while a third, a DM 50m private placement for Girozentrale of Vienna, was announced. It had not been included in the new

BY PETER MONTAGNON

Underwriting complete for Brazil

THE \$350m credit for Brazil's for the electric concern, Banco Nacional do Desenvolvi- Electrobras. Following the poor mento Economic is now fully underwritten. Bank of Montreal. has formed a management group including six banks besides

banks are Banco do Brazil, Chase Manhattan, Com-merzbank, Eurobras, Nord Deutschelandesbank and Societe Generale. This group may still

be expanded further. The credit attracted attention because of its very fine terms and initial reaction from the banking community was far from enthusiastic. The terms provided for a \$275m, eightyear tranche with a split \{-1\}-1 per cent spread and a \\$75m. 10-year tranche with a split against spread of 1-14.

though Bank Montreal subsequently decided now been increased to 60 per to take over the entire 10-year cent of the tax from 5 per cent tranche itself, the remainder was not fully underwritten till there is an increased tax advant-last week, almost a month after age for U.S. banks participating last week, almost a month after

widely expected to be a credit pate in Brazilian loans.

reception accorded to BNDE, terms for Brazil are expected to harden in the months ahead.

Some of this upward pressure, however, may be alleviated by Brazil's decision last week to reduce the amount of withhold-ing tax refunded by the Government to the borrower. The borrower normally pays this tax which is levied at a tax, together with the tax receipt passed on to him by the borrower.

U.S. banks have only been able to offset this tax receipt refunded by the Brazilian Government. This portion has previously, which means that in Brazilian credits. It remains award of the mandate. in Brazilian credits. It remains
This will clear the way for to be seen how far this will the next borrowing by Brazil, encourage the banks to partici-

Venezuela is due to reply next week to the proposals put to it by a group of international banks on a jumbo credit of up margin of per cent over eight years or a split 🛂 margin over seven years. If Venezuela chooses the latter, the amount could be reduced to \$1.2bn.

There are now 19 banks in rate of 25 per cent so that the lender receives interest free of as agent, Bank of America running the books and Chemical Bank preparing the information memorandum. A select number of Japanese banks may also be invited to join as co-lead managers depending on Ministry of Finance approval.

Business in Eastern Europe, meanwhile, has slowed to a trickle. Yugoslavia continues to sound out banks but so far. the response has been lukewarm. This has less to do with uncertainty over the country's future following the death of to have an eight-year maturity President Tito than with lend- and a spread of about 1 per ing limit problems and the poor cent.

Other countries have been severely affected by the frost on lending to Eastern Europe that descended after the Soviet to \$1.8bn. A choice of terms has invasion of Afghanistan. Dis-been offered with either a flat cussions between Czechoslovakia and banks over a credit of up to \$250m earlier this year and more recent soundings by the East German trade financing concern, Intrac, on a \$200m credit have not led to the syndication of any deals.

its hopes of being able to award a mandate for its forthcoming 500m credit by May 28. plunge into recession and con-In this atmosphere bankers tinuing indications of slackening \$500m credit by May 28.

believe Poland is optimistic in its hopes of being able to award a mandate for its forthcoming \$500m credit by May 28. Among other deals UBAF has been asked by the Kingdom of

Morocco to prepare a fully underwritten offer for a credit of \$300m. The credit is expected

The D-Mark foreign bond sector has also been buoyed by the healthy state of the domes-tic German bond sector, where the Federal Government was able to arrange a DM 1bn Schulscheine note on Friday. which includes yields ranging from 8.82 to 8.76 per cent on paper whose maturity ranges from four to 10 years.

In the Swiss franc sector the flow of new issues continues and coupons are also showing signs of dropping for quality

The Guilder sector was reopened last week with two issues after being closed since last winter while a new French nominated bond were launched In the dollar sector nine new which were fixed interest rate The \$100m issue for bonds. Imperial Chemical Industries is notable for its short maturity while the \$150m floating rate note for Midland Bank is convertible during the first five years of its life into a fixed interest rate bond which carries a coupon of 9½ per cent. The FRN issue carries a classic coupon of ‡ per cent above the six-month Libor rate.

Another interesting borrower was the Ford Motor Company which, with many other U.S. corporations, is finding it cheaper to raise funds in the Eurobond market than in New York. The Ford bond offers vield of 12.77 per cent if one allows for a selling concession of per cent, which most major customers would get.

. 0011		,				D ISSUES	Off-
Borrowers	Amount m.	Maturity	Av. life yezrs	Coupon %	Price	Lead manager	Yes X
U.S. DOLLARS		:				Citicorp, Banco de	'
1†Bilbao Intl. NY (g'tee	ed .	:			TAR .	Silbao	5.833
Banco de Bilbao)	50	1990	10	210	100	Yamaichi Intl. (Europe)	
#Fujikura Cable Work	s 15	1987	7	540	100	faufren men famabay	
Trederal Business Dev.				_		Wood Gundy	12.250
Rank	75	1985	5	121	100		6.844
†State Bank of India	. 30	1987	7	610	100	CSFB	
†Cafetero Fin. Corp.	30	1985	5	70	100	Chemical Bank	7,123
	30	1985	5	12	100	Daiwa Europe	2.000
Orient Leasing	100	1990	10	71 1	100	Salomon Bros. BNP	11,250
EDF (g'teed France)	200	1985	.5	128	160	Goldman Sachs	12.625
Ford O'seas Fin. NV	100	1988	64	114	100	Paribas	11.500
ECSC		1995	15,	8-	100	Blyth Eastman Pains	
§Apache Inti. Fin. NV	25	1773	15	-•	•	Webber	2,750
††Caisse Nationale des		1990	10		•	Lazard Freres & Co.	
Telecommunication			7.9	114	•	UBS (Securities)	•
Kingdom of Denmark		1990	_ ==	11	991	Deutsche Bank	14.070
EEC	75	1995	10 1 3	ήi	180	S. G. Warburg, Deutsch	e·.
iCi intl. Fin. NY	100	1983	3	"	140	Rank	11.000
†Midland Intl. Fin. 8V	150	1992	12	2 <u>7</u> 0	100	S. Montagu, EBC, CSPB	5.319
D-MARKS				_		Bayerische Landesbank	9.000
**Oesterreich. Kontrbk.	. 150	1987	7	9	700	Deutsche Bank	7.000
**Kingdom of Sweden	200	1987	7	9_	100	WestLB	2.875
**Girozentrale Vienna	50	1987	7.	87	100	AA 62 CLD	0.01
FRENCH FRANCS	120	1987	. 7	13}	100	CCF	13.500
Eurofima SWISS PRANCS	-120	1701					
1Caisse Nationale des							
Telecommunication	c 100	1990	_	6}	100}	SBC	6.181
; erecommunicación :**Kubota	60	1985		61	100	SBC	6.750
**Kubota	40	1986		7	1001	SBC	1
<u>tlapan Airlines</u>	80	1990	_	6	160}	UBS	5.932
Lonrho Intl. Fin. NV	60	1990	— ·	7	100	Banque Keyser Ullmann	·
•					•	en Suisse	7,000
‡Vorariberger Kraftwerke	50	1990	_	. 6	100 <u>1</u>	Credit Suisse	5.932
**ESCOM (g'teed Rep.					184	SBC	4.750
South Africa)	75	1984	_	6}	100		
Hidroelectrica	65	1990		7	100	Handelsbank NY	7.000
STERLING	-				•	Blyth Eastman Paine	
‡Beneficia! O'seas Fin. NV	20	1990	10	14}	100	Webber	14.250
GUILDERS							
EIB	150	1995	13	101	•	AmRo	•
**F. van Lanschott				-			
Bankiers	50	1985	5	10]	99}	F. van Lanschott	

U.S. BONDS

BY IAN HARGREAVES

Trying to read Volcker's mind

A FOUR-WEEK rally in the inflation to worries about what rates as "constructive" and re- irrelevant (which in today's the Federal Reserve is making In this atmosphere bankers credit markets came to a nerbelieve Poland is optimistic in vous and juddering end last week as investors started to look beyond the thrill of the

> U.S. INTEREST RATES (%)
> Week Weak 3-month Treasury Bill. . 3-month comrcial, paper Federal Funds weekly 11.13 10.36 11.45 10.75 Treasury 30-year bond Long-term AAA utility... Long-term AA industrial Source: Salomon Bros.

With interest rates now,

according to Chase hattan's analysts, "at that most traders and investors did not expect to see until late 1980," the market has good reason to be attempting to read the mind of the Fed.

Mr. Paul Volcker, the Fed's chairman, appeared fairly relaxed about the whole affair impression of maintaining its \$3.9bn). The Fed blames the Council in Virginia on Friday, its 3 per cent surcharge on the than usual processing of tax describing the recent fall in discount rate. If it had become payments by the Treasury.

minding everyone that several of the credit tightening measures imposed in October and March were intended to be temporary. "The basic policy of tight monetary management

resolve point to political fears about the depth of the recession the further steep decline in the and they wonder aloud why the Fed, if it wants to give the when he talked to the Business stance, whose last week to scrap size of the drop on speedier

has not changed.

market it had) why not just leave it there? Fed, meanwhile, is

caught between these two conflicting pressures on needing to give both the right political and the right market signals. On Those who doubt the Fed's the former front, it took the unusual step of commenting on money supply reported on Friday (M1-B down by a huge

FT INTERNATIONAL BOND SERVICE

OTHER STRAIGHTS | Issued | Bid Offer day wook Yield |
Beil Caneds 10's 86 C\$ 60 | 92's 93's -0's +1's 13.69 |
Fat. Can. Inv. 10 84 C\$ 50 | 91's 92's -0's +1's 12.70 |
Fat. Can. Inv. 10 84 C\$ 50 | 91's 92's -0's +1's 12.70 |

RAIGHTS	Issued	Bid	Offer	day	week	Yk
gentina 5½ 89,	80	964	967,	+04	+24	5
mar 5 89	60				-14	5
stralia 33 89	250				-0%	
rgen. City of 4% 91			914			5
DE 5 89	-75	86%	867	+64	-1	7.
IW Overseas 4% 91.	100	91	. 914	-0,	+0%	5.
isse Nat. Tele. 44 89		924	924	+0%	+1	- 5
CF 54 90	100				-0-	
penhagen 4½ 91	80				-04	
uncil of Eur. 5 89	100				-04	
47, 91	100	90%	914	+04	-01	5.
3 4% 94	100				+0%	
t. de France 472 89	100	93	931-	+014	-14	5.
8 44, 89	100	881 ₄	881	0	_0.7	5.
ti 4½ 97	. 35	†93 T	94	-64	-15	5,
Amer. Dev. 4-2 89	700	887	891	+0%	-04	6.
tland Tele. 5-2 90	50	100	1001	÷öi	+92	5
laysia 5 89	80	87%	227	+0%	+04	6.
pon Tel. & T. 43, 89	100		92		.0.	5.
rdic Bank 5 89	45				+14	5.
rges Komm. 4 91	100	87		+01		5,
B 33 91	100	82	221		-03	6
B 44 91	100				-04	
B 6 90	100	103L	105	1.01	-04	<u>5</u> .
LA Cies ed 41 01	100	263	22	TU	-04	5.
lo, City of 4% 91	100	934	07	TV	-00	5,
koku El. Pwr. 4% 89		92 92		TV	+01	
W889 43 91	60		827	TVL	-0%	5.
est-Alpina 🚜 89	.50	32%	324	. 2.	-31,	5.
rid Bank 45 89	100	22.3	33	704	-04	
orld Bank 4% 89	150	524	527	+14	+17,	5.
rld Bank 4%, 91	100				-05	5
Average price chang	jes O	n day	+04	CU M	88× -	σ,

1	May 2 89.95	11.07	79.2	17.53
	High '80 91.03 Low '80 85.32	(2/1) (2/4)	89.19 71.5	3 (2/1) 4 (29 /2)
	EUROBON. (nominal			
]	U.S. S bonds	Ce	del	Euroclear
	Last week Previous week	1,87 67	9.0 1.5	- 3.572.4 2.770.2
1	Other bands			

BONDTRADE INDEX AND YIELD

previous day's price. 7 Only one market maker

cept for Yen bonds where it is in billions. Change on week= Change over price a week carlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Compon shown is minimum. C.die=Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: De-nominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current centage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK: Kredietbank NV: Credit Commercial de France; Credit Lyonnais; Commerciank AG: Deutsche Bank AG; Westdeutsche Landesbunk Girozentrale; Banque Internationale Luxembourg: Internationale Luxembourg:
Kredielbank Luxembourg:
Algemene Bank Nederland NV:
Pierson, Heldring and Pierson;
Credit Susse/Swiss Credit Bank:
Union Bank of Switzerland;
Akroyd and Smithers: Bankers
Trust International; Bondtrade:
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(Secs.) London: Citicorn Inter-(Secs.) London: Citicorp International Bank; Dniwa Europe NV; Deltec Trading Company; Dillon, Read, Overseas Corpora-tion; EBC; First Chicage; Goldman Sachs International Corporation: Hambros Bank: IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Salomon Brothers International; Samuel Montagu and Co.: Scandinavian Bank; Strauss Turnbull and Co. Sumitomo Finance International: S. G. Warburg and Co.; Wood

Hiram Walker-Gooderham & Worts Limited

has combined with

The Consumers' Gas Company

to form

Hiram Walker-Consumers Home Ltd.

The undersigned assisted in the negotiations leading to this transaction and acted as financial adviser to Hiram Walker-Gooderham & Worts Limited and to The Consumers' Gas Company.

Dominion Securities Limited

ni appears as a matter of record only. The Debentures were offered and sold outside the United States of America.



NICOR Overseas Finance N.V.

(a Netherlands Antilles corporation and wholly-owned subsidiary of NICOR Inc.)

U.S. \$50,000,000

103/1/20 Convertible Subordinated Debentures due May 1, 1995

Convertible on any Interest Payment Date through May 1, 1985 into 14% Subordinated Debentures due May 1, 1995 of NICOR Overseas Finance N.V., or on and after December 1, 1980 into Common Stock of NICOR Inc.

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U.S. \$85,000,000

Caisse Nationale des Autoroutes

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May 12, 1980

ment appears as a matter of record only. The Notes were offered and sold outside the United States of America.

U.S. \$75,000,000

McGraw-Edison International Finance N.V. (a wholly-owned subsidiary of McGraw-Edison Company)

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Unconditionally Guaranteed as to Payment of Principal, Premium, if any, and Interest by

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Wood Gundy

S. G. Warburg & Co. Ltd.

May 12, 1980

Yamaichi International (Europe)

NL Industries Reports...

75% increase in first quarter earnings from continuing operations.

This report is a part of our program to keep you informed of what is happening at NL Industries. If you would like additional information, please contact us.

Chief Executive Officer

NL industries, Inc. reported record income from continuing operations for the first quarter of 1980 of \$36,505,000 or \$1.07 per common share, a 75% increase over first quarter 1979 income from continuing operations of \$20,828,000, or 61 cents a common share. Consolidated first quarter 1980 sales of \$505,614,000 represent a 21% increase over the previous year's first quarter sales of \$419,384,000.

Income growth for the quarter significantly exceeded sales growth reflecting improved profitability of European operations, a greater contribution of income from NL's equity interest in partially owned companies and a shift to higher

Sales and Earnings (unaudited)

Income before taxes on income

Income before cumulative effect

Income from continuing operations Income of discontinued operations

of accounting change Cumulative effect of accounting charige

Income per share of common stock (B):

Income from continuing operations

margin petroleum service products. Assuming modest impacts from

the continuing inflation, the projected recession, and unsettled foreign exchange markets, NL should achieve record earnings for the year with percentage gains similar. to those recorded in 1978 and 1979.

All operating groups show gains

All operating groups; petroleum services, chemicals and metals contributed to first quarter record results.

NL Petroleum Services operating income increased by approximately 55% in the first quarter benefiting from greater worldwide drilling activity. Demand for drilling fluids and services was especially strong. Blowout preventer sales, equipment rental, and wireline and other oilfield services also contributed to the improved results.

NL Chemicals showed marked improvement in the first quarter, reflecting the worldwide strength of titanium pigments operations which had substantial sales gains and more than a tripling of earnings. All six of NL's titanium pigment plants operated at near capacity levels. Specialty chemicals continued to generate good results.

For the three months

\$419,384

\$ 33,044

\$ 20,828

S 47,219

\$ 1.42 (A)

20,962 26,257 (A)

S505,614

\$ 36,505

36,505

\$ 36,505

1.07

1.07

Earnings of NL Metals were ahead of first quarter 1979 levels. As a result of improved efficiencies, combined earnings of castings, fasteners, bearings, and automotive design services approached 1979 levels, even though 50% of their products are used by the currently depressed automotive industry. NL's 50% owned subsidiary, Titanium Metals Corporation of America, a producer of titanium metal and fabricated specialty steel products, continued to show significant earnings improvement reflecting increased demand from the aerospace and railroad industries.

Net income for the first quarter of 1980 was \$1.07 per common share. The first quarter 1979 net income included a nonrecurring gain of 80 cents per common share, reflecting a change in accounting for the investment tax credit from the deferral method to the flow-through method. After this credit the first quarter 1979 net income was \$1.42 per common share.

NL Industries, Inc. is a leading worldwide manufacturer and supplier of petroleum services and equipment, specialty chemicals and fabricated metal products, with annual sales approaching \$2 billion.

- If you would like to know more about NL Industries' performance, simply mail the coupon below for a copy of our 1979 Annual Report.



Please send me a copy of NL's 1979 Annual Report.

CONTRACTS AND TENDERS

(A) Retlects the cumulative effect (\$.80 per common share) of the 1979 change in the method of accounting for the investment tax credit from the deferral method to the flow-through method. (B) Income per share of common stock has been calculated after deduction (\$.03 per share of common stock) for preferred stock dividend requirements of \$1,078,000.

PETROLEO BRASILEIRO S.A. — PETROBRAS RIO DE JANEIRO — BRAZIL

ANNOUNCEMENT OF COMPETITIVE BIDDING SUPEX - 05/80

- 1. PETROBRAS announces the opening of a competitive bidding for petroleum exploration in areas located onshore and offshore Brazil.
- The relevant contracts shall be executed in the form of service contracts, with risk clause, provided that CONTRACTOR'S remuneration shall be contingent upon the achievement of commercial production from the fields discovered and developed by
- 3. Companies to enter into such contracts shall have technical and financial capacity, provided that companies domiciled outside Brazil shall also demonstrate experience and tradition in exploration and development of petroleum fields. Companies are requested to contact PETROBRAS in order to obtain the application form at one of the
 - AV. REPUBLICA DO CHILE. 65-18° ANDAR, SALA 1858 RIO DE JANEIRO,
 - 77 SOUTH AUDLEY STREET, 2ND FLOOR, LONDON, WIY 5TA, ENGLAND.
 - -- 1221 AVENUE OF THE AMERICAS, 22ND FLOOR, NEW YORK, N.Y.10020--U.S.A.
 - 66 AV. CHAMPS ELYSEES, 8EME ETAGE, PARIS 75008 FRANCE

The said application form is to be filled in by the interested company and then returned to any one of the addresses indicated above, by 5 p.m. (local time) the 30th June 1980.

- 1. Each company will be informed as from 21st July, 1980, of the result of its application in the preliminary selection and of the basic conditions it must comply with for the purpose of making its bids.
- Participation in the said preliminary selection does not and shall not imply the granting of any guarantees, privileges or rights whatsoever to any of the interested companies, it being understood that PETROBRAS is absolutely free, at its sole discretion, to cancel, remake or dispense with such preliminary selection, or invite whichever company it may choose in order to contract with for the execution of the services referred to in this Announcement.

Rio de Janeiro, May 12th, 1980.

DEPARTMENT OF EXPLORATION CONTRACTS - SUPEX -

LAURO VIERA / SUPEX / SUPERINTENDENT

NIGERIAN COAL COMPANY OF ANOU ARAREN

INTERNATIONAL NOTICE OF PREQUALIFICATION

THERMAL POWER-STATION OF ANOU ARAREN

HOUSING ESTATE FOR THE PERSONNEL, 2nd SECTION

The Nigerian Coal Company of Annu Araren will soon make a call for bids for the overall erection of a second section of housing units in the personnel housing estate of the Annu Araren power-station. The housing estate is 2 km from the power-station, which itself is located 70 km north-west of Agedez (North Niger). There is easy access, thanks to a terred road from that town.

The works concern 124 two- and three-room housing units, built in banco in the traditional housing style of the country, with interior fittings of standard comfort. The works will start October 1, 1980 and shall be completed within a maximum of 16 months, together with a road system and various networks. The call for bids will open on June 10, 1980.

The firms which are interested must provide, before May 25, 1980, in duplicate, the references usually required for a prosolection, such assexperience in similar works, organisation of the firm, means in personnel and equipment, financial structure of the company. One copy shall be sent to:

Monsieur le Secrétaire Général de SONICHAR Boite Postele 724, NIAMEY (Niger).

And the other copy to:

ELECTRICITE DE FRANCE Direction des Affaires Exterieures et de la Coopération 68 rus du Faubourg Saint Honoré, 75006 PARIS.

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TRAVEL

GENEVA, Basie, Zurich and Serne, wices; choice of cheap flights from 4 U.K. sir-ports. Brochure, FALCON 01-320 2191.

COMPANY NOTICE

THE ZENITH CARBURETTER COMPANY LIMITED COMPANY LIMITED

NOTICE IS HEREBY GIVEN that subject to approval in General Meeting a Division of the second of 3.5 per cent tax imputed will be payable on the 23rd May. 1980. In respect of the year 1979 to shareholders of "A" and "B" shares registered at 3.00 p.m. on the 22nd April, 1980.

Coupons numbers 57 relative he "A" share warrants to bearer will be paid at the offices of the Company's Registrars. The General Agency & Trust, Bourne House, 34. Berchenham Road, Beckenham, ent. BR3 4TU, on or after 23rd May. 1980.

BR3 4TU, on or after 23rd May. 1980.

Honeyaat Lane, Summer, Secretary, Honeyaat Lane, Stammore, Middleser.

LOCAL **AUTHORITY BONDS**

Every Saturday the Financial Times publishes a table giving details of

LOCAL AUTHORITY BONDS

on offer to the public For advertisement

details please ring B. Kelaart 01-248 8000 Extn. 266

OVERDUE TAX

BY CUTHBERT SHANKLAND

Interesting results from the law on delay

TO A professional accountant like myself, the 12 per cent interest charged on overdue tax appears a pernicious charge. Naturally, the Inland Revenue is delighted to exact a penalty from the slow payer, but often this operates unfairly. For the interest may begin to run from a time when the accounts are not even prepared.

This is how it works. The XYZ Company Limited has an internal check system, a full staff of competent accountants and a good record with regard to payment of corporation tax. Yet let us suppose that for some reason the annual audit is delayed, so that the amount of tax due is an unknown quantity. What then are the directors to

Usually in such a case, the company secretary receives an estimated assessment, which he hands to the tax adviser. The assessment notice, by its very nature, is arrived at purely by guesswork on the part of the tax inspector for the district. The tax calculated on the estimate may differ considerably from the figure eventually agreed with the inspector.

Unsettling

Probably the tax adviser will agree that the secretary should pay the amount shown on the notice. However, in due course the audit is completed, the accounts are finalised and the correct corporation tax liability is arrived at. That figure may be considerably higher than the estimated assessment. XYZ's secretary pays the difference, and thinks that the matter is settled. But it is not that

The collector of taxes now not effected by interest on over- is liable to an interest charge.



They were all overdue with their tax!

mated tax and the agreed tax. Thus a company of good repute, doing its best to comply with the law, is penalised for a delay

not of its own causing. But does the Inland Revenue ever pay interest to a taxpayer who has overpaid tax? In all my 53 years' professional experience, I have not come across such a case.

The interest demand is particularly irritating when an and allowed a matter to hang fire because he has been under too much pressure to find time

writes to XYZ, demanding in-terest at 12 per cent on the large and small do suffer from difference between the esti-it, as do the thousands of selfit, as do the thousands of self-employed. However, no MP has yet raised the matter in the House of Commons.

In my view, the interest, which was originally levied at 3 per cent, then at 9 per cent. and only since the start of the year at 12 per cent, should be applied only in cases where taxpayers have deliberately delayed payment of tax.

Another example of harassment by the Revenue authoriinspector of taxes has been lax ties relates to the introduction interest on dividend tax. Tax at the standard rate must be paid by a company within Civil Service, beaten by the two weeks of the payment of a dividend to shareholders. If Most UK taxpayers are dealt dividend to shareholders. with under PAYE and are thus the company fails to do this, it

The interest threat is contained in the notes on the return form, which must be forwarded with the dividend tax. When the charge first came in I wrote to the Board of Inland Revenue, pointing out that the printed instructions should be easier to understand. However, that has

never been done. Here I must make clear that I am not hostile to the Inland Revenue, which is most helpful to accountants. Inspectors of taxes are not ogres. They often put themselves out to help individual taxpayers and assist them to obtain the benefits to which they are entitled.

Relentless

The reason, it seems to me, for the severe attitude adopted by the Inland Revenue towards interest on overdue tax is that the tax authorities are in two groups, the hardliners and the moderates. The Treasury is putting severe pressure on the latter. Similarly, district inspectors are subject to continuous demands to get in as

much tax as possible. I have found that if an inspector is too lement and fails to prod taxpayers in his district with sufficient intensity, he is liable to be removed and even denioted. Thus the pressure on taxpayers and their agents, as accountants are termed. relentless and often unreason-table. I foresee a future in which fewer of my profession

remain in private practice. The hardiest of us will weather the storm of long, inquisitorial letters, countless queries, production of books and working papers, and endless appeals. But most accountants will go into industry or the unequal battle with the Inland Revenue machine.
Mr. Shankland is a chartered

accountant in Cardell.

THE FAIR YOU CAN'T AFFORD

Looking for new products, new ideas, new possibilities? Come to the India Industrial Fair in Rotterdam.

From 19 through 23 May, you'll find in the Ahoy' Exposition Centre the largest presentation of India's technical export potential ever. Over 200 participants will be there to demonstrate the range and the quality of their products.

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markets. At prices that are very, very competitive, possibly considerably lower than you are paying now...for the same quality!

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INDIA INDUSTRIAL FAIR



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For more information.

The India Industrial Fair is organized by the Trade Development Authority of India.

For more information: Association of Indian Engineering Industry, c/o Confederation of British Industry, 21 Tothill Street, London SW 1H 9LP. England. Phone: (01) 930 6711. Telex: 21332 cbi g.

AHOY CENTR	E ROTTERDAM May 19-23, 1980.
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OVERSEAS NEWS

The statistics of change

China reverts to a 1950 economic custom

by 15 per cent. These consumer

goods were produced by a light

This, however, is not the whole picture. The Chinese

target, output has not been

enough to mop up spending

Inflationary pressure is also fuelled by waste and over-spend-

ing in heavy industry and con-

struction, not only causing huge losses, as the Chinese freely

admit, but also string up future

reveals that the growth of heavy

industry rose marginally above

its planned level last year (7.7 per cent instead of 7.6 per cent),

but, worse, almost a quarter of

state-owned enterprises—nearly as many as Chairman Hua reported to the National

People's Congress last June — were still running at a loss and

the quality of products did not

Despite the increases in pro-

CHINA'S year-old strategy of has given the last week on the country's progress in 1979.

The communique shows an encouraging desire by the clothes and perhaps a radio or Chinese to conform to international practice. After a 20year blackout Peking has apparently now reverted to its 1950s custom of issuing regular statistics. But the communique despite the successes, reveals underlying problems which could undermine some of the economic successes of last year. Target figures for the agri-cultural and industrial growth in 1980 — published separately last month — showed that the rate of increase will fall, while hints about over-spending sug-gest that inflation is a very real

problem. China's "readjustment" policy was designed to channel investment away from heavy industry into light industry and agri-culture to provide the Chinese with a better diet and more

In agriculture this apparently worked well. The grain harvest beat the target—partly a result of reasonable weather but also aided by higher prices offered

to farmers by the state.

A question-mark remains over the actual size of the grain figure given by the State Statistical Bureau as the Chinese have increased its several times

since last autumn.

economic "readjustment" faces a much better deal. Rural intrend in the rate of growth has some dangerous hurdles, according comes apparently went up by been downward since 1978. True, consumer duction last year, the overall ing to the State Statistical more than 10 per cent and the the Chinese are deliberately Bureau's cmmunique published average worker's wage rose by slowing growth as part of the 9.5 per cent. With the extra readjustment process, but this money people were able to feed cannot be allowed to continue themselves better buy more too long.

The only target figures so far even TV. Retail sales increased issued for 1980 (totals for industrial and agricultural growth together and separately) show an expected fall in industrial industry expanding at a rate of nearly 10 per cent — some encouragement for a population weary of empty promises about the benefits of socialism. contrast, the long-term trend of industrial expansion estimated by U.S. experts on China was 9 per cent-10 per cent annually for the 1965-78 period. (See China: A Statistical Compen-dium, July, 1970, National have already shown alarm over how much prices have risen (a Peking directive on price con-trol was issued only a few weeks ago). Although above Foreign Center, Washington.) If the Peking leadership is to fulfil its commitment to increasing prosperity, a reversal of the trend will be needed. The National Income figure, which the Chinese for the first time this year, works out at only \$232 per head. Annual percentage increases for 1977-79 show that the growth rate in National Income is dropping. Inflation

may erode it, too. But this may not yet give cause for alarm. The only statistics with which the National Income figures are comparable (because of the total lack of a previous Chinese series) are U.S. estimates of China's GNP (National Income figures unlike those for GNP, do not take account of depreciation or indirect taxation and neither of these is significant in China).

They show an average annual

CHINA ECONOMIC	INDICATORS	4
ing a second of the second of	1978	1979
National income	\$210,06n	\$224.7ba
Gross value industrial and agricultural		. •
output	\$379.3bm	\$471,0bm
Gross value industrial output	\$282.0bn	\$306.0bn
Gross value agricultural output	\$97.2bn	\$105.6bn
Coal (m tonnes)	6.816	635.0
Crude oil (m tonnes)	104.0	106.1
Electricity (m kwh)	257.0	281.9
Cotton cloth(m metres)	11.0	12.1
Rolled steel (m tonnes)	22.1	24.9
Grain (m tonnes)	• 304.8	332.1
Pork, beef and mutton (m tonnes)	. 8.5	10.6
Oil-bearing crops (m tonnes)	5.2	6.4
	Source: State Statistic	cal Bureau

Grain (m tonnes) Pork, beef and mutton (m tonnes) Oil-bearing crops (m tonnes)		304.8 8.5 5.2	·	332.1 10.6 6.4
	1977 % 8.0	1978 % 12.0	1979 %	1980 %
Increase in gross value industrial and agricultural output	<u>.</u>	12,3	8.2	5.5
increase in gross Value agricultural output	· -	8.9	8.6	3.8
Increase in gross value industrial output	-	13.5	8.5	6.0
	<u> </u>	S	منابات المتما	

growth from 1952-77 of only 6 per cent compared with the National Income 1977-79 average

However, the Chinese cannot neglect the problem. Fluctuations in growth in National Income in 1977-79 suggest that it is much more closely linked to the performance of industry than agriculture. But industrial expansion as practised in China is highly inflationary—funds are

or revenues

In anauthoritative article last autumn, the President of the People's Bank of China said: Capital construction pushes financial departments, financial departments push the Bank and the Bank issues banknotes."

Overcoming these problems will require more economic understanding and administrative flair at middle management levels than Peking seems able pumped in without a corres- levels than Peking s ponding increase in productity at present to deploy.

Bahrain moves slowly on trade union recognition

هكذامن الأجهل

BY OUR BAHRAIN CORRESPONDENT

cautious steps towards organising recognised trade unions, attempt to organise workers nificant pressure group seeking according to the principles into a political force was popular support, can divorce enshrined in the constitution quashed and those considered itself entirely from politics.

A labour services council has BAHRAIN IS taking its first the private sector.

As a member of the Arab Labour Organisation and the International Labour Organisation, Bahrain sends a tripartite delegation representing government, employers and workers to international labour con-ferences. More than a dozen labour conventions are awaiting ratification, on everything from freedom of association to pay and conditions of work.

The present move towards democratic labour representation, starting with joint consultative committees in major industrial and commercial companies, seems to be a government response to international obligations, rather than the result of a spontaneous demand from the 50,000-strong Bahraini labour force, outnumbered two to one by foreigners from India, Pakistan, the Far East and, to a lesser extent, from the West. These expatriates are a transient population, and only a few professionals show signs of

solidarity. compromis

An industrial dispute in 1973 approach. and nearly 200 workers losing

A delegation from the international Federation of Arab Trade Unions, led by Mr. Hameed Jalloud, the federa-tion's Libyan secretary-general, visited Bahrain recently for an exchange of views on labour policy, and in a joint declara-tion with the Ministry of Labour and Social Affairs congratulated the Bahrain Government on having released several detained Unionists.

The delegation expressed the hope that other imprisoned unionists would be set free, to improve the climate of cooperation. Government officials confirmed that one or two detainees were still being held. although "more than three" had been released after three years in prison.

In the past, the International Federation of Arab Trade labour association in Bahrain, except under the terms of a fully-fledged union law. The federation now seems willing to compromise on a step-by-step

at the two-year-old aluminium smelter ended in police intervention, with several arrests mid-1980s, or possible scoper. have been clearly stated. They their jobs. Two years later, are the emergence of a respon-around the time of the dissolu-sible leadership and the absence tion of the National Assembly of political affiliations.

(parliament), what is now remains to be seen whether a

been set up to promote workers' education as well as care and welfare. The labour law makes no discrimination between wor kers, but the care and welfare services obviously aim to take care of housing, catering, health and recreation for migrant workers.

Workers' representatives of the consultative committees are to form an advisory body known as the Interim Labour Committee, which is entitled to be consulted on draft legislation and on matters affecting workers' right and conditions.

They may also submit proposals on minimum wages, oused on cost-of-living studies and on and productivity.

Sheikh Isa bin-Mohammed Al-Khalifa, the Labour and Social Affairs Minister, told the Financial Times: "The mis-take in 1975 was in mixing labour activities with politics. The climate has now changed. We have a good labour law and a good social security law, and we are being very move gradually. workers leaders assurade of the protection of the courts, provided they respected trade union legislation and the

INTERIM REPORT TO SHAREHOLDERS

FOR THE SIX MONTHS ENDED 31 MARCH 1980

The unaudited consolidated results of Barlow Rand Limited and its subsidiaries for the six months ended 31 March 1980, together with the results for the same period last year and the audited results for the year ended 30 September 1979 are:

	Six mont 1980	ths ended 3 1979	March Percentage Increases	Year ended: 30 Sept. 1979
Furnover,	£000s 837,702	£000s 575,102	46%	£000s 1,260,959
Group operating profit	107,787 9,680 628	69,236 4,843		160,236 13,658 404
Group profit before caxation	118,095 39,651	74,079 29,654		174,298 63,050
Group profit after taxation	78,444	44,425	77%	111,248
—outside shareholders in subsidiaries	27,571	14,739		34,812
Limited	12	12	•	. 24
-ordinary shareholders in Barlow Rand Limited	50,861	29,674	71%	76,412
Number of ordinary shares upon which earnings per share is based (000s)	122,155 41.63p 9,94p	115.510* 25.68p 6.63p	62% 50%	116,641* 65,49p 20.98p

NOTE: The Rand has been converted to Sterling at IR = £0.55218 and this rate of exchange has also been used for comparative figures.

* Includes preferred ordinary shares

RESULTS, TRADING CONDITIONS AND PROSPECTS FOR THE YEAR ENDING 30 SEPTEMBER 1980 -

In general, the growth in profits and earnings per share reflect the improved performance of the South African economy. Earnings benefited further by a reduction in the effective rate of taxation arising from higher dividend income and through greater utilisation of taxation allowances on new plant and machinery.

A strong domestic market for stainless steel and sustained export demand for ferrochrome resulted in Middelburg Steel and Alloys earning higher profits. The mining division benefited from increased coal revenues. The improvement in consumer demand and the strong recovery in the construction and building industries resulted in higher turnovers and profits in the cement and lime, building industries resulted in higher turnovers and profits in the coment and lime, building industries and steel distribution, paint and packaging divisions. The household appliance and electronics division earned increased profits from household appliances but these were offset by lower profits in electronics. The profits of C. G. Smith & Co. Ltd. were consolidated with effect from 1st January 1980. All the companies in the C. G. Smith Group have performed well and their results have come up to expectations.

Group have performed well and their results have come up to expectations.

Income from investments rose sharply due to increased dividends from gold mining investments.

Whilst the economics of South Africa's major trading partners are entering a period of recession, it is unlikely that this will impact seriously on the South African economy this year other than to slow down growth of exports. With the large balance of payments surplus on current account likely to continue the South African economy should remain strong for the remainder of this year. As a result, the group's earnings will show a substantial improvement over 1979 atthough the rate of increase in earnings recorded during the first six months is unlikely to be majorained.

unlikely to be maintained.

A preference dividend of 6 per cent for the half year ended 31 March 1980 was declared 14 March 1980, payable on 30 April 1980.

An interim ordinary dividend of 18.0 cents per share has been declared and a formal notice

of this declaration is published herewith. For the half year ended 31 March 1979 an interim ordinary dividend of 12.0 cents per share and a preferred ordinary dividend of 18.0 cents per share were declared. For and on behalf of the Board

G. W. DUNNINGHAM (Vice Chairman)

9 May 1980

ORDINARY DIVIDEND NO. 101

Notice is hereby given that a dividend of 18.0 cents per share has been declared as an interim dividend payable to shareholders registered in the ordinary share register of the company at the close of business on 30 May 1980.

The transfer books and registers of ordinary members of the company in South Africa and the United Kingdom will be closed from 31 May to 6 June 1980, both days inclusive, for the purpose of determining shareholders to whom the dividend will be paid. Dividend warrants will be posted to shareholders on or about 18 July 1980.

This dividend is declared in the currency of the Republic of South Africa and the rate of exchange at which the dividend will be converted into United Kingdom currency for the payment of dividends from the United Kingdom share transfer office will be the telegraphic transfer rates of exchange between South Africa and the United Kingdom ruling on the first business day after 27 June 1980......

holders' tax has been imposed on dividends payable to: (a) Persons other than companies, not ordinarily residenc nor carrying on business in

South Africa, and (b) Companies which are not South African companies.

The company will accordingly deduct the tax from dividends payable to shareholders whose addresses in the share register are outside the Republic of South Africa at the rate of 14.0706 W. C. WARRINER

By order of the Board

Registered Office: Barlow Park.

2195 - South Africa (P.O. Box 78 2248 2146 - South Africa) 9 May 1980

Rana Registrars Limited 2nd Floor, Devenshire House, 49 'or iven Street, וליייים וויים וויים או היים וויים 2000 - Such Africa (P.O. Sox 31719 Braamfontein, 2017 - South Africa).

Group Secretary United Kingdom Registrar: Lloyds Bank Limited. Registrar's Department, The Causeway. Goring-by-Sea, Worthing. West Sussex BN12 6DA.

Confident outlook for the 1980's after a decade of achievement.

Points from the Statement by J. P. Du Cane, Chairman, Selection Trust Limited

Juring the past decade assets have more than doubled and gross income has risen five-fold.

L he Group's vigorous exploration policy, continued throughout the 1970's, has been rewarded with the discovery of six mines.

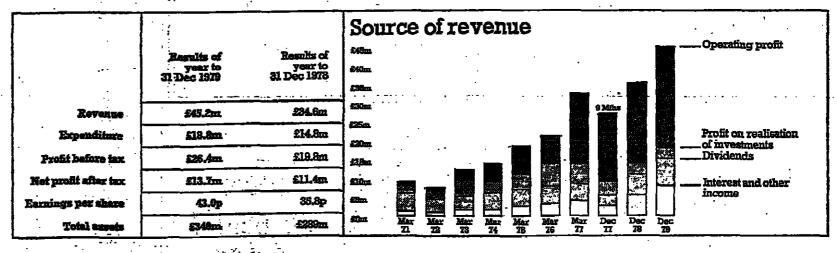
▲ he acquisition programme was successful in providing sources of income during the years required to bring mining projects to production. The UK acquisitions have continued to grow and expand their activities and now form an important base in the UK.

Juring the 1970's we developed what was for us a totally new area of business: energy and energy-related activities. We have every intention of expanding this area of business as our knowledge and confidence increase.

ur immediate requirement is to find the next generation of mines, our search concentrating on high-grade base metal deposits as well as precious metals and diamonds.

1979 has been a year of further growth in earnings and assets, which should continue in 1980 with a full year of operations at Agnew, increased flow of dividends from Amax and Unisel, and development of Teutonic Bore, Selbaie and Alligator Ridge prior to their anticipated start of commercial production during 1981.

ur new mining projects will not only lead to a major change in the Group's earnings but will lay an increasingly strong foundation for their further development and our ability to undertake other mining ventures.





The Amnal General Meeting will be held on 29 May 1980. Copies of the full statement and annual report and accounts may be obtained from The Secretary, Selection Trust Limited, Selection Trust Building, Masons Avenue, London

This advertisement appears as a matter of record only.

REPUBLIC OF COLOMBIA

U.S. \$350,000,000 Term Loan

managed by

BankAmerica International Group The Bank of Nova Scotia Group Banque Nationale de Paris Banque de Paris et des Pays-Bas Chemical Bank International Group First Chicago Panama S.A. Manufacturers Hanover Limited The National Bank of Canada The Toronto-Dominion Bank Union Bank of Switzerland

Bank of Montreal International Limited The Bank of New York Euro-Latinamerican Bank Limited-EULARANK Banco de Bogotá, S.A., Panama Banco de Santander, Miami Agency Bayerische Hypotheken-und Wechsel-Bank, Aktiengesellschaft Daiwa Europe N.V. National Bank of North America Yamaichi International (Nederland) N.V.

Bank of America NT & SA The Bank of Nova Scotia International Limited Banque Nationale de Paris, Sucursul de Panama Banque de Paris et des Pays-Bas The First National Bank of Chicago Manufacturers Hanover Trust Company The National Bank of Canada The Toronto-Dominion Bank Union Bank of Switzerland (Panama) Inc. Bank of Montreal International Limited The Bank of New York, Cayman Island Branch Euro-Latinamerican Bank Limited-EULABANK
Banco de Bogotá (Nassau) Limited Banco de Santander, Miami Agency Bayerische Hypotheken-und Wechsel-Bank, Aktiengesellschaft, Gayman Island Branch Daiwa Europe N.V. National Bank of North America Yamaichi International (Nederland) N.V.

March, 1980

COMPANY NOTICES

O THE SHAREHOLDERS OF GRANGES AKTIEBOLAG

accordance with the requirements of Swelch Companies. Act and with the poant's Articles of Association there they are according to the ling the following terms: to present the Annual Report and Accounts and the Auditors' Report: to present the Consolidated Accounts and the Auditors' Report on the Group; to accrave the Profit and loss State-port and the Balance Sheet: to approve the Consolidated Profit and latence Sheet: o approve the Consolidated Profit and latence Sheet: o determine the appropriation of the profits provided the Balance Sheet is dopted:

S. 16 determine the Balance Sheet is adopted:

5. 10 discharge the Directors' and Managham of the Balance Sheet is adopted:

5. 10 discharge the Directors' and Managham of the Balance Sheet is adopted:

7. 10 Directors from Hability of the Second of Seco (a) Meeting the may be obtained the information may be obtained the Campan's Lendon Agent: 5 G Warburg & Co. Ltd., 5 Guara Desirtment, 5 Guara Desirtment, 5 Guara Desirtment, 5 Catalogue House, Catalogue House, Catalogue

TOKYU DEPARTMENT STORE CO., LTD. NOTICE TO EDR HOLDERS

Further to Notice of January 27, 1980. The Chase Manhattan Bank. N.A., announce that the shad dividend of Yen 3.00 per Share has been conserved to U.S. 12.75 grads nor EDR. The State of Course and amounts to U.S. 12.75 grads nor EDR. The Course of Course o THE CHASE MANHATTAN BANK, N.A. London, as Depositary.

B.I.R.D.

7.25% 1972-1987 LOAN OF FF 150,000,000

The redemption on June 15, 1980, for which a sum of FF 7,500,000 is planned, has been completely repurchased on the Stock Exchange.

Amount remaining in circulation after June 15, 1980: FF 120,000,000.-Paying Agent BANQUE DE PARIS ET DES PAYS-BAS

POUR LE GRAND-DUCHE DE LUXEMBOURG.

Luxembourg 12th May, 1980.

THE BURMAH OIL COMPANY LTD.

The Bushman Oil Company To.

1972-1987

LUX. FCS. 500.000,000

Holders of the above mentioned loan are hereby informed that the annual instalment of Lux. Fcs. \$0.000,000

doe 30th June. 1980 has been effected by repurchase in the market so that no drawing by for took place.

The principal amount of bonds outstanding after the amortisation of 30th June. 1980

will be Lux. Fcs. \$50.000,000.

THE NATIONAL BANK OF AUSTRALASIA LTD.

State of Victoria. Australia)

NOTICE IS HEREBY GIVEN that the
Registers of Members and Transfer
Books of the Company will be closed
on Friday. 23rd May. 1980. for one
day only for the purpose of payment
of interim dividend on 12th June.
1980. Transfers must be lodged not
later than 5 p.m. on 23rd May, 1980.
By Order of the Board of Directors,
L. L. REX. A.A.S.A., A.C.I.S.
Secretary.

INTERNATIONAL UTILITIES OVERSEAS CAPITAL CORPORATION

Copies of the I. U. International Cor-poration 1979 Annual Report and Financial Statements at at 31st Decem-ber, 1979 and 1978 of the above-named Company are available from: S. G. WARBURG & CO. LTD., Coupon Desartment.

NOTICE TO THE HOLDERS OF BONDS OF THE ISSUE 9% 1977-1995 OF USSES.000.000 MADE BY THE EUROPEAN COAL AND STEEL COMMUNITY

Diamond Selection Ltd. offer losse-cut and polished diamonds for investment. The following is a cross section of prices from their range at at 1st May. 1980.

Colour/Clarity/Caret
eg. 120
4 156
Make is always good/refy dood.
All stoms are graded at Diamen.
Grading Laboratories using their unique measuring equipment. We also hold regular semipars and teach-list.
Price guide and brochure with procedure for buying and selling graded from:

DIAMES AND THE PROCESS OF THE PROCESS O

— AMOND SELECTION LIMITED Nam House, 572, Hatton Garden. on ECIN 8,10, Tel. 01-405 8045

.000. BANQUE INTERNATIONALE A LUXEMBOURG Société Anonyme

CAISSE NATIONALE DE 1 'FNFRGIE Public Corporation of the French State (Law of April 8th, 1946) Head office: 17, Rue Caumartin, Paris (Seme)

914% BONDS 1975-1985 OF

TOKYO SANYO ELECTRIC CO., LTD.

The undersigned announces that the Annual Report for the year ended November 30, 1979, of Tokyo Sanyo Electric Co. Ltd. will be available in Luxembourg at Barque Genérale du Luxembourg S.A. and lurther at:
Altermenc Bank Nederland N.V.:

NOTICE
ANNUAL REPORT OF
CO-OPERATIVE BAN LIMITED NOTICE IS HEREBY GIVEN that copies of the Annual Report of CO-OPERATIVE BANK LIMITED. 25 at 12th JANUARY 1980. 2re now available at:

PERSONAL

The Commission of the European Communities announces that the annual Instalment of bonds amounting to US\$1,730,000 has been purchased for redemption on June 15, 1980.

Outstanding amount after June 15, 1980, US\$44,750,000. DIAMONDS FOR INVESTMENT

ANNOUNCEMENTS

The Society of Company & Commercial Accountants THE INNAUGURAL FOUNDERS' **LECTURE**



COMPANY LAW REFORM IN THE 80's

presented by Stanley Clinton Davis LLB MP (Opposition Front Bench Spokesman on Trade) Monday May 19th 1980 The Glaziers Hall, London Bridge, London, SE1 6.45 p.m. for 7.15 p.m.

For tickets (no charge) apply to: The Secretary of the Society
11. Portland Road, Edgbaston, Birmingham B16 9HW

LEGAL NOTICES

in the HIGH COURT OF JUSTICE Chancery Division Mr. Registrar Brad-burn. In the Matter of SUN VALLEY POULTRY LIMITED and in the Matter

POULTRY LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that by an Order dated the 2nd May, 1980 made in the above metters the Court has directed a Meeting of the holders of the "B." Ordinary Shares of £1 each in the above-named Company (hereinster called "the Company") other than the Retained Shares (as defined in the Scheme of Arrangament referred to below) to be convened for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangament proposed to be made between the Company and the holders of (i) its "B." Ordinary Shares of £1 each; (ii) its "B." Ordinary Shares of £1 each; (iii) the Retained Shares; and (iii) the Retained Shares; and (iii) the Retained Shares and that such Meeting will be held at the Green Dragon Hotel. Broad Street, Hereford on Monday the 2nd day of June 1980 at 12.05 o'clock in the attention (or as soon thereafter as the Annual General Meeting of the Company on vanied for the same day and place shall have been concluded or edjourned) at which place and time all the holders of the said. "B." Ordinary Shares are requested to attend.

Any person entitled to attend the said Meeting can obtain copies of the said said Scheme of Arrangement forms of Proxy and copies of the Sateman required to be lumished pursuant to Section 207, of the above-mentioned Act at the registered office of the Company situates at Shobdon, Lenminster, Herefordshire and at the office of the Company situates at the office of the company of the said weeting. The holders of the said "B." Ordinary Shares may vote in person at such Meeting or they may appoint another person whether a Member of the Company or not, as their proxy to attend and vote in their steed.

It is requested that forms appoint another person whether a Member of the Company or not, as their proxy to steed and vote in their steed.

It is requested that forms appointing proxies should be lodged with the Company at its registered one, Shobdon, Leominstar, Herefordshire not less t

be handed to the chemine.

In the case of joint holders, the vote of the senior who tenders a vote, whather in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company.

In the Register or memore Company.

By the seld Order, the Court has appointed Lieutenent-Colonel Uverdae Corbett, or falling him, Lieutenent-Colonel Edward Courteney Philips to act as chairman of the Meeting and hat directed the chairman to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval

Dated this 7th day of May, 1980. Ryland, Martineau & Co., 41 Church Street, Birmingham B3 2DY. Solicitors for the Company.

IN THE MATTER OF THE COMPANIES ACT 1948 CHARTER CONSTRUCTION CO. LIMITED (in Liquidation)

NOTICE IS HEREBY GIVEN pursuant to NOTICE IS HEREBY GIVEN pursuent to Section 239 of the Companies Act. 1348, that a General Meeting of the Membars of the above-named Company will be held at the offices of Floyd. Nash & Co., Chartared Accountants of 33 Clifford's Inn, Fetter Lane, E.C.4, in the City of London on Monday the 2nd day of June, 1980 at 3 p.m. to be followed at 3,15 p.m., by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidgof receiving an account of the Liquida-tor's Acts and Dealings and of the Conduct of the Winding-up to date Detect this 1st day of May 1980 R. E. FLOYD, Liquidator.

New head of National Engineering Lab

Dr. Paul Freeman has been dow, Mr. Francis E. J. McCrossin, appolated director of the Department of Industry's NATIONAL Dengtas M. Fairbairn have ENGINEERING LABORATORY joined Arthur Young McCleiland at East Kilbride to succeed Mr. Denis Mallinson who revires next month. Dr. Freeman will retain overall responsibility for the Department's Computer Aided Design Centre at Cambridge.

Mr. Philip W. Wilkinson has been appointed a director of COUTTS AND CO. He is a director of National Westminster Bank and general manager of National Westminster's related harbitan commissed directors. banking services division.

Mr. G. Helsby, group chief executive of BURNETT AND HALLAMSHIRE HOLDINGS, has been elected to the additional position of chairman in succession to Mr. N. Swiffen, who remains on the Board in a nonexecutive capacity. Mr. R. W. Burgess, deputy managing director of BRITISH HOME STORES. is to become managing director from August

He will succeed Mr. C. W. Paterson, who retires at that time but will remain non-executive deputy chairman. Mr. D. C. Arbon, managing director of Walker Crosweller and Co., has been appointed a director of its parent company, REED BUILDING PRODUCTS.

which is part of the building and home improvement products area of Reed International. Mr. Eric J. Mackay has joined the Board of MAY AND BAKER as deputy managing director. He spent most of his career with the Royal Dutch Shell Group from which he retired as chair-man and managing director of Shell Chemicals UK.

Mr. Ernest Tyerman has been appointed a non-executive director of DUFAY BITU-MASTIC. He was chief executive of Croda International from 1973-1979. His present directorships are Societe Generale Bank and British Steam Specialties Group.

Mr. C. R. Thompson, a main board director of NORTHERN ENGINEERING INDUSTRIES



national, has also become chair man of NEI Projects in succession to Mr. D. McDonald, who is now chairman and chief executive of NEL

ARTHUR YOUNG McCLEL LAND MOORES AND CO has admitted into partnership Mr. Nick Pasricha in the London office and Mr. Alex B. Me-Dougall, in Perth. The company has now merged with Grahams Rintoul and Co., of Glasgow, and four partners, Mr. George Had-

joined Arthur Young McCletland Moores and are resident in Glasgow.

Mr. Stanley R. Benson has been elected chairman of the BRITISH FLOORCOVERING MANUFACTURERS' ASSOCIA-TION. He is marketing and sales director of Nairn Floors and succeeds Dr. George Vaughan of Dunlop-Semtex in the appoint-

Professor Herwig Schopper will become director-general of the EUROPEAN CENTRE FOR NUCLEAR RESEARCH (CERN) from January 1, 1981. Twelve European countries are members of CERN. The UK delegation is provided by the Science Research Council.

SPINK AND SON has made changes on the Board following the death of Mr. Philip Spink. Mr. Vincent Welr is chairman, and Mr. Patrick Finn and Mr. Roger Keverne, directors. Mr. David Spink has resigned as director and becomes a consultant. The company is a member of the Andrew Weir Group.

Mr. T. Hindmarsh has been appointed technical director of E. JOPLING AND SONS, of Sunderland, one of the steel foundry companies of the Weir

Mr. O. F. Lambert, director-general of the Automobile Asso-ciation, has been appointed to the board of MERCANTILE CREDIT COMPANY.

Mr. Derek Blatchford, manag-ing director of the Blatchpack Group, Exeter, has been elected president of the BRITISH ASSO-CIATION OF REMOVERS. Mr. Michael Smithies, a director of Turnbuils (Leeds), national chairman of the lustitute of Furniture Warehousing and Removing Industry, the training member of the BAR.

Mr. Lindsay McGregor has been appointed 2 director of AYER BARKER, a subsidiary of Charles Barker ABH International.

Mr. Joseph F. Foot, president of the Timken Company, has been elected a director of the LOUISIANA LAND AND EX-PLORATION COMPANY. He succeeds retiring director Mr. W. R. Timken. Mr. R. J. Proctor-Pearson has

been appointed a director of REFUGE ASSURANCE COM-

Mr. P. R. Dugdale has become chairman and Mr. W. M. Clarke. deputy chairman of the TRADE INDEMNITY COMPANY. Mr.

man and from the board Mr. F. Howard has been appointed director. Mr. G. K. Kellen has ceased to be an alternate director to Mr. Bevins and is now afternate director to Mr. Howard

Mr. Cyril Smollie has become senior partner in the UK pertner. ship of MOORE STEPHENS AND CO. in place of Mr. Hobert Motre who has retired. Mr. John Marwho has return. Mr. John Mac.
Kennie and Mr. Kenneth Wikish
have also retired. New pariners
are Mr. Peter Harrow. Mr. Paul
Nevill and Mr. Norman Sharp,
Mr. Moore and Mr. MacKennie
continue as commitments to the partnership.

J. H. MINET AND CO has made the following appointments of divisional directors ments Mr. M. J. Burch, central services and Mr. C. H. Rutter and Mr. I. Lampon, International Non-

Mr. Michael Pye. formerly managing director of Sinclair Radionics, has been appointed director of design and develop ment engineering by HONEY.
WELL CONTROL SYSTEMS. He
replaces Mr. Mike Watson, who
has been promoted to technical
director, Honeywell Europe.

Mr. D. C. Barrett has been appointed a director of DURA-PIPE INTERNATIONAL.

This announcement appears as a matter of record only.

Gladstone Aluminium Limited

\$120,000,000

(Kaiser Alumina Australia Corporation, Series A Loan)

20% owned by

Kaiser Aluminum & Chemical Corporation

provided by

Mellon Bank, N.A.

Crocker National Bank Deutsche Bank (U.K.) Finance Ltd.

Manufacturers Hanover Trust Company

Morgan Guaranty Trust Company of New York

Swiss Bank Corporation (International) Limited

Bankers Trust Company

National Bank of Australasia Limited

Agent Bank Mellon Bank, N.A.

November, 1979.

Peerless Limited

offer for Sale by Singer and Friedlander Limited

The application lists for the offer for sale of the above company will open at 10.00 a.m. on Thursday, 15th May 1980 and it is intended that they will be closed at any time thereafter on the same day. However, in the event of an industrial dispute affecting the postal service on 14th May, Singer and Friedlander Limited reserve the right to keep the application lists open until 3.00 p.m. on Friday, 16th May 1980.

To assist applicants, forms of application can be given in by hand at the following addresses at the following time:-Not later than 5.30 p.m. 14th May 1980

Singer and Friedlander Limited 14 St Vincent Place Glasgow G1 2EU

National Westminster House 8 Park Row Leeds LS1 5BQ

123 Hagley Road Birmingham B168LP 206 Derby Road

Nottingham NG7 1NQ

York House Bond Street, Bristol BS99 7AE and at Bowmaker House 17 Christchurch Road Bournemouth BHL 3LG

Touche Ross and Co 15 Meiville Street Edinburgh EH3 7PQ

The Friers 154.Upper New Walk Leicester LE1 70D

Reliance House 20 Water Street Liverpool L28UY

Pall Mall Court 67 King Street Manchester M60 2AT

Murray and Co Beaufort House, 94 Newhall Street Birmingham B3 1PE

Portland House 22 Newport Road Cardiff CF2 1DB

Not later than 10 a.m. 15th May 1980. Singer and Friedlander Limited 20 Cannon Street London EC4M 6XE

Envelopes should be clearly marked "PEERLESS" in the top left-hand corner. Although every effort will be made to deliver application forms to Singer Friedlander Ltd., at 20 Cannon Street, London EC4M 6XE no liability is accepted by the above mentioned firm.



PERLESSLIMIT



Issued and

fully paid

£3,229,300

The Application List for the Ordinary Shares now offered for sale will open at 10.00 a.m. on Thursday, 15th May, 1980.

Copies of this Offer for Sale, having attached thereto the documents specified below have been delivered to the Registrar of Companies for

Application has been made to the Council of The Stock Exchange for the whole of the issued . Ordinary Share Capital of Peerless Limited ("the Company") to be admitted to the Official List.

This Offer for Sale includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to the Company. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

DIRECTORS

WILLIAM STANLEY JORDAN (Chairman)

ALAN GORDON JONES C.ENG., M.I.MECH.E.

CHARLES MATTHEW JORDAN (joint managing director)

Priory Road, Aston, Birmingham, B6 7LF

IVOR TAYLOR, F.C.A., F.C.M.A., J.Dip M.A.

Priory Road, Aston, Birmingham, B6 7LF

JOHN MALCOLM WARDLE, (Non-Executive)

Rutland House, Edmund Street, Birmingham, B3 2RJ

SECRETARY AND REGISTERED OFFICE

Priory Road, Aston, Birmingham, B6 7LF

IVOR TAYLOR, F.C.A., F.C.M.A., J.DID M.A. -

PERRLESS LIMITED

The Company was incorporated in England en-2nd-March 1920 as Peedess Stampings Limited. The Chairman and the Joint Managing Directors are sons of the founder directors, Messis. W. P. Jones and W. D. Jordan.

The Stignial Susiness of the Company was the manufacture of hot brass stampings and machined parts for use in the building, plumbing and gas industries. During the last ten years, its activities have been substantially extended and diversified so that in the nine manths to 31st December 1979 the original business accounted for less than 15% of profits. The trading undertaking and assets of the Company was transferred to a substaliary on 23rd April 1980, and the Company now acts as a holding company for the Group.

and aluminium castings and passings.

In their expansion strategy the Directors have sought to strengthen the Group's position in the markets it serves, by troadening the range of manufacturing capabilities and by acquiring or developing within the Group significant outlets for certain of the Group's products. The wish to manufacture components competitive with brass-based products led the Group into aluminium foundries and into the manufacture of injection monided plastics which is its turn resulted in the Group developing similar capability in blow monided plastics. The acquisition of a major customer for injection monided products took the Group into electromechanical engineering. The merchanting of brass and plastic water fittings stemmed from the wish to expand the sales of the metal and plastic manufactured products. Many of the water fittings sold by the Group are used in domestic kinchens and thus fitted kitchen cabinets were seen as a complementary product for the Group to manufacture and market. The Directors are constantly considering the possibility of further acquisitions and new developments and regard their shifty to make successful acquisitions as one of the factors behind the growth of the Group.

successful acquisitions as one of the factors behind the growth of the Group.

For the purposes of this prospectus, the artivities of the various operating subsidiaries have been classified into four main divisions. Plastics, Electromechanical and Electronics. Water Fittings and Kitchen Furniture and Metals. In fact, the Group operates on a completely decentralised basis through individual subsidiaries whose Chief Executives are directly responsible to the Chairman or one of the two joint Managing Directors of the Company. There is thus a direct and personal relationship between the Board of the Company and the Chief Executives of the various subsidiaries, who are allowed substantial autonomy within the constraints of a formal budget system, closely monitored by the Directors of the Company. The ability of individual companies to meet budgets and maintain a satisfactory return on investment is a factor in determining whether capital expenditure requests are sanctioned by the Board and which individual companies in the Group receive the greatest emphasis in the longer term plans for expansion of the Group.

As a result of the way in which the Group has developed, there is a substantial degree of inter-trading between Group companies. The Electromachanical and Electronics division provide a substantial outlet for the products of the Plastics division and the Water Fittings and Kitchen Furniture division similarly provides outlets for the Plastics and Metals divisions thus providing longer production runs which help to stabilise the carnings of the manufacturing companies.

Up until now only a very small portion of the Group's turnover has been exported, but this could rise

Up until now only a very small portion of the Group's turnover has been exported, but this could rise as a result of new electronic and plastic products being developed together with increased exports by the Aluminium part of the Metals division.

The following table illustrates the could be a superscript of the Metals of

Aluminium part of the Metals division.

The following table illustrates the growth of the main-activities of the Group and the relative profit contribution of each of these activities in the last three financial periods for which audited accounts are available. The furnover for each division include sales to external customers and to other divisions within the Group. The sales between divisions are shown as "forer-Group" deductions in arrange at the Group turnover to external customers.

Turnover

Profits

9 months to

Yeart of the Merch 21st Merch 21st Merch 21st Merch 21st Merch 21st December

£000 4,979

4,813

8,022 11,599 (2,473)

26,940

£'000

2.572_

5.671

20,263

Group Profit Irom continuing operations before taxation and

Years to 31st March 31st December Years to 31st March 31st December

€000

3,514

6,730 9,552 (1,739

22,817

MANAGEMENT AND EMPLOYEES

WHENER COMMENT JOYUNE

Mr. Jordan is aged 56 and is chairman of the Company. He has spent all of his working life with the Company and was first appointed as a director on 22nd James 1957 becoming chairman on 1st October 1973 following the retirement of Mr. L. L. Jones. He is primarily responsible to the Board for the operation of the Electromechanical and Electronic and Plastics Divisions, and the Alumanium part of the Metals Division.

Mr. Jones is aged 54 and is the brother of the former chairman. He has been with the Company for the majority of his working life. He was first appointed as a director on 23rd January 1957, and was appointed as joint managing director on 7th March 1973. He is also joint chairman of Engineering Concessionaires Limited ("E.C.L.").

1978

€.000

161

627

2.250.

emineral e Traverio

€000

456

3,277

£'000

3,681

2.970

Priory Road, Aston, Birmingham, B6 7LF

(joint managing director)
Priory Road, Aston, Birmingham, 86 7EF

Offer for Sale

Singer & Friedlander Limited

3,181,800 Ordinary Shares of 25p each at 100p per share.

payable in full on application

RECEIVING BANKERS

SINGER & FRIEDLANDER LIMITED 20 Cannon Street, London, EC4M 6XE

BROKERS

HOARE GOVETT LIMITED Heron House, 319-325 High Holborn, London, WC1V 7PB

and at

27 Throgmorton Street, London, EC2N 2AN MURRAY & CO. Beaufort House, 94-96 Newhall Street,

Birmingham, B31PE

SOLICITORS TO THE COMPANY EDGE & ELLISON, HATWELL PRITCHETT & CO. Rutland House, 148 Edmund Street, Birmingham, B3 2JR TO SINGER & FRIEDLANDER LIMITED

The shares now offered rank in full for all dividends

Share Capital

in 16,000,000 Ordinary Shares

of 25p each

At the close of business on 18th April 1980, the Company and its subsidiaries ("the Group") had outstanding acceptance credits

of £500,000, medium term secured bank loans of £1,347,090,

commitments of £63,970. Save as disclosed herein and apart

outstanding at that date any loan capital or loan capital created but unissued, mortgages, charges or other borrowings or

from inter company borrowings and guarantees within the

Group neither the Company nor any of its subsidiaries had

indebtedness in the nature of borrowing, including bank

overdrafts and liabilities under acceptances (other than

normal trade bills) or acceptance credits, hire purchase

commitments or guarantees or other material contingent

secured bank overdrafts of £2,032,502, hire purchase

hereafter declared or paid on the Ordinary Share

Capital of the Company.

Authorised

£4,000,000

PINSENT & CO. Post and Mail House, 26 Colmore Circus, Birmingham, B4 6BH

REGISTRARS AND TRANSFER OFFICE

MIDLAND BANK LIMITED. Registrars Dept., Courtwood House, Silver Street Head, Shoffield, S1 3RD

PROPERTY VALUERS GRIMLEY & SON

2 St. Philip's Place, Birmingham, B3 200 EDWARDS, BIGWGOD & BEWLAY 78 Colmore Row, Birmingham, B3 2HG

Limite

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OPPORATION

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Mr. Jordan is aged 54 and is the brother of Mr. W. S. Jordan. He has spent the whole of his working life in the service of the Company. He was first appointed as a director on 23rd January 1957, and was appointed joint managing director on 7th March 1973. He is responsible to the Board for the Brass operations of the Metals Division. Mr. Taylor is aged 52 and is Group Accountant and Company Secretary. He is a Chartered Accountant who spent 18 years in senior finance positions in industry before joining the Company in November 1973 as Group Accountant. He was appointed as a director on 21st April 1980.

Alan Gardon Jones

& Electronics

Property associate company Unallocated Central Overheads

John Malcolm Wardle Mr. Wardle is 51. He is foint senior partner of the Company's solicitors. He has extensive experience as a company director and is convently chairman of four listed companies and a director of four other listed companies, in addition to the Company. He was appointed as a director on 17th April 1980.

Divisional Chief Executives

Raymond George Crick Mr. Crick is aged 54 and was a founder director of R.C.L. which was acquired by the Company in 1964. He is joint chalman and chief executive of E.C.L. and is also responsible for Glendale Furniture

Mr. Jones is aged 47 and joined Burday Smart (Plastics) Limited ("Barday Smart") in 1972, and became managing director in 1974. Mr. Randall is aged 51 and in 1960 founded Randall Electronics Limited ("Randall") which was bought by the Company in 1970. He is the chief executive of Randall and of Pearless Control Systems Limited ("Pearless Controls").

Ed to the term Arthur Stokes is aged 54 and joined B.S.R. (Aluminium) Limited, ("B.S.K.") in 1959. He was appointed a director in 1968. It is his intention to retire within the next year but he will remain a consultant.

Godfrey Merlyn Thompson
Mr. Thompson is aged 48 and last been managing director of Peerless Plastics Limited, ("P.P.L.") since
it was founded in 1963.

Details of the other senior executives in the Group are shown in the sections dealing with the respective

and the second s

Employees

The Group has approximately 1,600 employees. Contributory pension schemes are in operation for all full-time employees over the age of 25, who have been with the Group for not less than 3 years. These provide benefits in accordance with good modern practice.

DEFAILS OF DIVISIONS

REPORTING ACCOUNTANTS

TOUCHEROSS & CO., Chartered Accountants Hill House, 1 Little New St., London, EC4A 3TR

AUDITORS

TOUCHE ROSS & CO., Chartered Accountants Kensington House, 136 Suffolk Street Queensway,

Birmingham, B1 1LL

BANKERS

MIDLAND BANK LIMITED,

168-Warstone Lane, Birmingham, B18 6NP

BARCLAYS BANK LIMITED,

P.O. Box 48, 28 George Street, Luton, LU1 2AE

and at

16 High Street, Harpenden, Herts., AL5 2TD

LLOYDS BANK LIMITED,

29/30 Newtown Shopping Centre, Birmingham, B19 25E

P.P.L., which operates from modern freehold premises of approximately 37,900 sq. ft. in Tamworth can be divided into two sections.

The original business, which now accounts for approximately 30% of the company's turnover, is the manufacture of trade mondings for the plumbing, domestic appliance and electrical and other industries. Approximately 70% of this turnover goes to other group companies, mainly water fittings for E.C.L. and technical mondrings for Randall. The other section of P.P.L. is the manufacture of square and rectangular injection moulded plastic con-tainers for the recent and other food industries; there are four major customers out of a total of

tainers for the ice-cream and other food incustries; there are rose-major constraints eighty.

Over the last few years, P.P.L. has invested heavily in fully automatic machinery and the equipment used for the monified containers is in use for 120 hours per week and is the most advanced of its type inuse in this country. As a result of this investment P.P.L. is able to produce high quality products at very competitive prices, Because of the rapid growth of this company it has been necessary to expand the premises at Tanworth and a new freshold factory of approximately 32,900 sq. ft. is in the course of construction and should be operational in the Spring of 1981.

Barday Shart, which operates from freehold premises of 42,500 sq. ft. in Luton, manufactures and sells round blook and injection moulded Nastia containers for the packaging of products such as adhesives, chemicals, dyestelfs, food products, and plarmacenticals. At the time of purchase by Peerless, Barday Stuart was losing money. Recovery to the present level of substantial promability has resulted primarily from investment in new matchinery, efficient use of that machinery, and an aggressive approach to sales. Barclay Smart's sales are split as to approximately 40% in blow-model products and 60% in injection moulding. Management's policy has been to identify sections of the overall market for plastic containers which require medium size runs. This has enabled Barclay Stuart to develop a broad spread of customers, and to give a good service, based on rapid delivery of containers over-printed to customers'

Machinery is run continuously on three shifts. Production is near capacity and consideration is being given to the building of new premises at Luton.

In addition to Mr. A. B. Jones, Mr. D. Perry aged 53; is Works Manager. Mr. R. Arrowsmith, aged 36 is the divisional accountant for Barclay Smart and P.P.L.

is the divisional accountant for Barclay Stuart and P.P.L.

Foam Mouldings, in which the Group has a 75% interest, operates from new freehold premises of 34,000 sq. ft. in Tauworth. The other 25% of the company is owned by Dr. S. Hettinga, the founder of Foam Molding Corporation Inc. in the United States of America, who has developed a new method of producing structural foam thermoplastics. This process is based on a sophisticated microprocessor controlled multi-station press. In comparison with other forms of plastic moulding, foam thermoplastics offer greater precision in larger products and the ability to mould thick sections of material. The material is particularly solitable for the cabinets of computer ancillary equipment, for doors and panels for the furniture industry and for leisure products, such as components for boats.

Foam Mouldings is only just commencing production and will make start-up losses, but the Directors of the Company are optimistic about its future prospects. The joint Managing Directors are Mr. N. Whiteley, aged 49, also Works Director of P.P.L. and Mr. S. A. Jordan aged 29.

A. C. Estop & Co. Limited ("Estop") was acquired on 31st August 1979. Estop was a partnership until 1st October 1978 when its business was transferred to a limited company and it operates from premises at Strond as a manufacturer of blow and moulded vials and containers for the tolletties industry. The division has a total of approximately 385 employees.

Electromechanical and Electronics Division

The two companies in this division are Randall Electronics Limited ("Randali") and Peerless Control Systems Limited ("Peerless Controls"). The Managing Director of both is Mr. T. M. Randall, Systems Limited ("Peerless Controls"). The Managing Director of outlins Mr. 1. M. Managing.

Randall's principal product is a range of time controls for domestic central heating systems, for which Randall estimates it has about half the total United Kingdom market. Approximately half of the houses and flats in the United Kingdom are still without central heating and because of this and the need to replace old control systems. Randall considers that the market for this product is little affected by

Randall's other main product is an electronic taxi meter, which has now been fitted to approximately 30% of London taxi cabs, and Randall believes there is potential for future sales outside London and also abroad. Profit margins on this product are at the moment small, but discussions are in progress with the sale distributor with a view to renegotiating selling prices.

Randall plans to use the electronics expertise it has gained in developing the taxi meter to produce an electronic version of the central heating timeswitch, which will offer substantial advantages over the present electronechanical product. The first model is expected to be available in 1981. Sales of timeswitches are through Randall's own salesforce and local agents, mainly to builders merchants and original equipment manufacturers.

Randall occurries freehold premiers of \$4.00 cm. 20 at 19.25. Randall occupies freehold premises of 54,400 sq. fl. at Bedford. Its activities are the assembley of bought-out components—including plastic parts supplied by P.P.L. Great importance is attached to design, development and testing of all Randall products.

In addition to Mr. Randall, senior management consists of:—

Mr. H. Cook, aged 33, Technical Director—in charge of design, development and testing; Mr. A. King, aged 42, Sales-Director; Mr. M. Perry, aged 38, Works Director; and Mr. G. Briggs, aged 32, Financial Controller.

Mr. Randall also has overall responsibility for a fellow subsidiary, Peerless Controls. This company, whose Executive Director is Mr. M. Closier, aged 33, was formed to develop new products for this division. Three products are currently being developed:— (a) a sophisticated computer based system for the non-destructive testing of metals, involving the use of X-rays;

(b) a variable speed drive for use with AC motors: (c) an irrigation control using microprocessor technology.

All these products are still in the course of development but it is hoped that they will make a useful and growing contribution to the Electromechanical and Electronics Divisions in the future.

Peerless Controls occupies leasehold premises of 5,200 sq. ft. at Milton Keynes. The division has a total of approximately 230 employees.

Water Fittings and Kitchen Furniture Division

The principal company in this division is Engineering Concessionaines Limited ("E.C.L."), whose Chief Executive is Mr. R. G. Crick. E.C.L. which operates from modern freshold premises of approximately 54,000 sq. ft. on an industrial trading estate at Sandycopf, near Chester, assembles and markets brass and plastic waste units for sinks, basins and baths, many of which are bought from other Group companies. It also sells a wide range of bought in taps and household directings.

E.C.L. also operates a household street.

E.C.L. also operates a business known as Glendale Furniture Company ("Glendale") from modern freshold recovers as a company ("Glendale") from modern freehold premises of approximately 126,000 sq. ft. also at Sandycroft. It manufactures and sells the "Glendale" range of self assembly kitchen furniture. Sales of Glendale furniture are made through Group owned leasehold depots in Glasgow and Gatwick and through exclusive agents in Birmingham, Bristol, Leefs, East Anglia and Iteland. E.C.L. products are also sold through these depots and agents and in addition the company employs ten salesmen who sell to builders merchants and the plumbing

trade.

The Glendale factory is equipped with modern automatic cutting, shaping and handling machinery.

Peerless. Homegattes Limited is a wholly owned subsidiary of E.C.L. which plans to sell a range of bathroom, kitchen and bedroom furniture from its own leasehold premises throughout the country, the first of which was opened in Derby in December 1979. Further premises have recently been opened in Newcastle-under-Lyme, and four other sites are under consideration. The Managing Director, Mr. John Lewis, aged 34, has had 12 years experience in the home improvement industry. E.C.L. has offered to sell to Mr. Lewis 10 of the capital of Peerless Homegentres Limited, on terms to be agreed. In addition to Mr. Crick, senior management consists of Mr. D. Wilson, aged 53, Managing Director of E.C.L., Mr. A. Garvey, aged 46, Sales director of Glendale, Mr. P. V. Edwards, aged 57, Southern Region sales director and Mr. G. Wilson, aged 42, the divisional accountant. The division has approxi-

On: 7th: May 4980 the Group acquired the share capital of John Dewhurst (Plumbing and Heating Products) Limited ("Dewhurst"), a company operating from Manchester which is complementary to the distribution activities of E.C.L. Further details of Dewhurst are given in Appendix II.

Aubit Platers Limited ("Aubit") was acquired in April 1979. Aubit plates plastic sink waste units mainly for E.C.L. and it operates from leasehold premises at Hinckley. Management of the division is optimistic about future growth and in particular believes the new retail outlets have a good potential. The division has ample room for expansion on its Sandysroft site. The division has approximately 250 employees.

Metals Division The division is engaged in the manufacture and sale of hot brass and aluminium pressings, aluminium gravity and pressure dictastings, gas fittings and contract tool making.

Brass Division The principal operating companies are as follows:--

Pencipal Operating companies are as follows:—
Peerless Stampings Limited ("Stampings")
Repco (Engineering) Limited ("Repco")
Regon (Clips & Pressings) Limited ("Rogon")
Bowden Bros. & Co. (Manchester) Limited ("Bowdens")
Stringer Bros. & Matty Limited ("Stringers")
Outward Tools Limited ("Outward")

Ourward Tools Limited ("Outward").

Stampings is based at Birmingham and specialises in the manufacture of hot brass and aluminium pressings, including some machining. Mr. C. A. Jordan, aged 32, is the senior executive and joined Stampings in 1970. The factory comprises some 50,000 sq. ft., which includes a new automatic stamping and machining department. Of the turnover, 40% goes to Group companies, the balance going to the building; gas and fancy goods industries. Senior management includes Mr. P. F. Umbers, aged 36, works manager, and Mr. S. R. Edwards, aged 27, the company accountant for Stampings and Outward. Repco produces cast metal billets for Stampings. Mr. A. C. Beard, aged 52, is works director.

Reson, which is based at Witney may Oxford, specialises in the manufacture of hot brass pressings.

Regon, which is based at Witney near Oxford, specialises in the manufacture of hot brass pressings, brass pressure discastings, and pipe clips for the building, plumbing and general industries. A third of its turnover goes to other Group companies. Mr. C. M. Jordan is at present managing director of Regon, but a new managing director is being recruited. Mrs. V. M. McDonnell, aged 44, is commercial

Bowdens, whose managing director is Mr. E. B. Hoey, aged 60, operates from Manchester and Stockport, and is engaged in the manufacture of a runge of gas fittings for British Gas. E.C.L. and Dewhurst are taking an increasing amount of its output.

Stringers is based in Birmingham and provides specialist high precision machining and assembly for Group companies as well as selling fittings to the gas and domestic appliance industries. Sales to Group companies represent 50% of turnover. Senior management includes Mr. J. V. Knight, deputy managing director, aged 42. Outward whose managing director is Mr. L. Goulding, aged 54, is also based in Birmingham and

manufactures dies and tools for group and external custom The Brass division is currently showing a drop in orders, largely due to a decline in the gas industry.

Aluminium Division

This division operates through B.S.K. (Aluminium) Limited ("BSK") from premises in Birmingham and
Llanidloes, Powys, and manufactures aluminium gravity and pressure discustings such as transmission
cases, fluid drive rotors, cylinder heads and door closers. A major part of sales goes to BL Limited of
which half is accounted for by Land Rover. However, the company is optimistic about sales to other car
companies and significant sales are now being made to Europe and the United States of America.
In addition to Mr. Stokes, senior management consists of Mr. J. Bonar, aged 44 who is the managing
director, Mr. P. Radcliffe, aged 33 who is assistant managing director, and Mr. A. Bennett, aged 49, the
financial accommant.

BSK also owns 49-9% of Newpeer Aluminium Limited ("Newpeer") based in the Republic of Ireland, which was formed in conjunction with Newman-Tonks Limited to manufacture overhead door closures and aluminium discastings for the motor trade. Newpeer sustained considerable losses and has now ceased to trade. Closure costs applicable to the Group have been written off.

Profits for the year to 31st March 1980 were badly affected both by the engineering strike and by Newpess. With these now behind them the directors are optimistic for the coming year. The Metals division employs approximately 745 employees.

Associated Company

Associ

The properties owned by P.C. are:--

Astor House: viz
Nos. 276a-310 incl. Lichfield Road, Mere Green, Sutton Coldfield, West Midlands consisting of
3 Supermarkets. 1 Bank, 1 Restaurant, 17 Lock-up Shops with Ollices over part, 2 Maisonettes,
built early 1960's. Freehold. Estimated current net annual rents receivable amount to £70,500. This property, which was purchased in September 1978 at a cost of £880,000 was valued by Messrs. Edwards, Bigwood & Bewlay, Surveyors & Valuers, on the basis of open market value at 31st December 1979 at £1,000,000.

Other properties book value at 31st December 1979 £504,000:-

(i) Freehold residential Site at Park Avenue, Solibull, West Midlands with Planning Permission for eight houses. Work has started on this site and the management of P.C. estimates that the houses will be completed and sold at the rate of one per month from the end of May 1980. (ii) Freehold industrial Site at Coton Farm. Tamworth, Staffordshire consisting of 6.7 acres with Ordine Planning Permission for Class IU Industrial Units. This site is being put on the market.

(iii) Six freehold flats at Brooks Road, Sutton Coldfield, together with 29 ground rems and 44 garages at Brooks Road and Beardsmore Road, Sutton Coldfield. The flats were sold on 7th May 1930 to certain of the Directors of P.C. for £60,000 being the open market valuation at the date by Marce Edwards Residue. The ground regist and remove are being

at that date by Messrs, Edwards, Bigwood & Bewlay. The ground rents and garages are being

Since 31st December 1979 P.C. has purchased for £10,000 one flat and the freehold ground rents for .71 other flats and garages at Vesey Close, Sutton Coldfield. The flat was sold on 7th May 1980 to certain of the Directors of P.C. for £11,000 being the open market valuation at that date by Messrs. Edwards, Bigwood & Bewlay. The ground rents and garages are being put on the market.

The amounts advanced by the company to P.C. at 31st December 1979 totalled £1,159,000. Of this amount £675,000 is subject to loan agreements between banks and the Company for which security has been provided by P.C. There has been no significant increase in the total advanced since 31st December 1979. Interest is receivable by the Group at commercial rates of interest.

The Directors of the Company consider that the disposal of the above mentioned properties will not materially alter the net assets or carnings of the Group.

PROFITS AND DIVIDENDS

As can be seen from the Accountants' Report, consolidated profits before tax of the Company have risen in each of the last five years, with a particularly sharp increase from 1978 to 1979. The biggest percentage increase in the 1978/79 profits came from the Electromechanical and Electronics division and was due to substantially increased sales, more efficient production procedures and favourable correpcy movements on the cost of bought out components. The Plastics and Water Fittings and Kitchen Furniture divisions also benefited from the substantial amounts of capital expenditure that they had incurred over previous years and showed significant-increases in both turnover and profits.

previous years and showed significant-increases in both turnover and profits.

Based on audited accounts for the nine months to 31st December 1979, management accounts for the subsequent two months and estimated results for March 1980, and on the assumption set out in Appendix I, the Directors forecast that turnover for the year to 31st March 1980 was not less than £33,300,000, and that profits from the continuing operations were not less than £3,800,000. This profit forecast is before the share of trading losses of Newpeer (which has now ceased to trade), of £83,000 before taxation, before the share of extraordinary costs associated with closing Newpeer, estimated at £195,000 and before writing off goodwill arising on acquisitions of £81,000. An interim dividend in respect of the year to 31st March 1980 has already been paid to existing shareholders, but no further dividend will be paid in respect of that year. Had the shares of the Company been listed for the whole of the year to 31st March 1980, on the basis of profits before tax from continuing operations of £3,800,000 the Directors would have recommended total Ordinary dividends of 6-3p net of related tax credit of 37th. In the absence of unforescen circumstances, the Directors would expect to recommend total Ordinary dividends in respect of the year to 31st March 1981 of not less than 6-3p net of related tax credit of 3/7th payable in or about January and Angust.

APPROPRIATION OF PROFITS AND OFFER FOR SALE STATISTICS By way of illustration only, the following table sets out how a profit before taxation of £3,800,000 for the year ended 31st March 1980 would be appropriated: year ended 31st March 1980 would be appropriated:

(a) excluding the costs of the Offer for Sale, and (b) (f) assuming an expected charge for corporation tagget at a rate of 31-5 per cent based on the assumption on which the profit forecast has been prepared and taking into account capital expenditure, and projected stock levels, and (ii) assuming a notional tax charge at a rate of 52 per cent. (ii) Notiona) Expected Notional tax charge tax charge at a rate of at a rate of 31.5 per cent £000 3,800 1,195 Profit before taxation from continuing operations ... 3,800 1,976 rofit after taxation less: Forecast annual dividends at 6-3p per share 2,605 814 1,824 814 1,010 1,791 Earnings per Ordinary share based on 12,917,200 issued shares

Price earnings multiple at the Offer for Sale price of 100p per share

Dividend yield based on annual dividends per Ordinary share of 63p (plus the related tax credit of 377ths) which the Directors would have expected to recommend if the share capital of the Company had been listed for the whole of the year

Dividend cover based on dividends per Ordinary share of 63p (net of related tax credit at 3/7ths)

At the Offer for Sale price of 100p per Ordinary share, the Company is capitalised at £12,917,200. CURRENT COST ACCOUNTING The Company has not as part of its normal management routines to date produced regular accounting information adjusted for inflation. Now that an accounting standard has been issued the Directors have decided to ensure that arrangements are made to enable the Company to comply with the requirements of Statement of Standard Accounting Practice 16 and issue current cost accounts as part of their Report and Accounts for the year to 31st March 1981. The Board of Directors have considered for the purpose of the Offer for Sale the effects of the requirements of the accounting standard on the forecast profits of £3,800,000 for the year to 31st March 1980 and are of the opinion that the proposed annual dividends of £814,000 set out above would be covered. PROSPECTS Most of the Group's activities by their nature, have relatively short order books and although the Group's record of meeting its profit budgets is good, it is impossible at this early stage for the Directors to make a formal forecast of profits for the year to 31st March 1981. However, subject to unforeseen circumstances, prospects for all divisions, with the exception of the brass components activities, are encouraging. Short-term The Directors attribute the Group's successful profit record to their policies of: Appointing competent chief executives to the operating companies, giving them substantial responsibility and, if they are successful, rewarding them well; (ii) Investing heavily in modern premises and up-to-date labour-saving machinery; such expenditure over the period covered by the Accountants' report amounted to £10-7m; (iii) Close control of the Group's cash resources; (iv) Carefully controlled expansion into activities which integrate logically and in due course profit-ability into the Group's existing operations, both by way of internal development, and by acquisition. The Directors intend to continue these policies and expect that, over a period, subject to unforeseen circumstances, they will lead to further growth of Group profits. WORKING CAPITAL The Directors consider that, taking into account available bank facilities, the Group has adequate working capital for its foreseeable requirements. ACCOUNTANTS' REPORT The following is a copy of a report received from Touche Ross & Co., Chartered Accountants, the Auditors of the Company and Reporting Accountants to the Directors of the Company and Singer & Friedlander Limited. Hill House, 1 Little New Street, London, EC4A 3TR 8th May 1980 Gentlemen. We have examined the audited accounts of Peerless Limited, formerly Peerless Stampings Limited, ("the Company") and of its subsidiaries for the five years and nine months ended 31st December 1979 ("the relevant accounting periods"). The Company and its subsidiaries are hereafter collectively referred Throughout the relevant accounting periods we have acted as auditors of the Company. Certain of the subsidiary and associated companies are not audited by us. The information set out below is based on the audited accounts after making such adjustments as we consider appropriate. These accounts have been prepared under the historical cost convention, including the revaluation of certain assets, and in accordance with the standards approved by the accounting In our opinion the information gives, on the accounting basis stated above, a true and fair view of the profits and source and application of funds of the Group for the five years and nine months ended 31st December 1979 and of the state of affairs of the Company and of the Group at 31st December 1979. 1 Accounting Policies The following are the principal accounting policies adopted in arriving at the financial information set out in this report. (a) Consolidation In March 1976 the Company acquired through an exchange of shares substantially all of the issued and fully paid shares of the subsidiary and associated companies not already owned by it. For the purposes of the consolidated accounts the acquisitions have been treated on a merger basis of accounting, and the operating results of the acquired companies are included in the profit and loss accounts as if the companies were subsidiaries throughout the relevant accounting periods commencing on 1st April 1974. A similar assumption has been made for the purposes of the statement of source and application of funds of the Group. Join mater 1970 to 31st December 1979 other acquisitions of subsidiary companies were made for a total cash consideration of £648,000. In these instances, for the purposes of the consolidated accounts the operating results of the acquired companies have been included in the profit and loss account from the dates of acquisition. The excess of the cost of the shares over the net assets taken over at the date of acquisition (goodwill) has been charged to profit and loss in the period of acquisition as an extraordinary item. From March 1976 to 31st December 1979 other a The consolidated accounts include the Group's share of the losses of the associated company, Peerless The consolidated accounts include the Croup's state of the losses of the associated company, Peerless Creerise Limited, based upon the audited accounts for the periods reported upon. The accounting policy adopted for the other associated company. Newpeer (Aluminium) Limited ("Newpeer") is discussed in section 5 below. In the consolidated balance sheet at 31st December 1979 the investments in associated companies are shown at cost less the share of attributable losses criting since the acquisition of the investments. The excess of such losses over the investment is included in current liabilities. In the Company's balance sheet at 31st December 1979, the investment in subsidiaries is shown at the book value of the underlying net tangible assets of the subsidiaries at 31st December 1979; the surplus arising on the revaluation has been taken to the non-distributable reserves of the Company. Minority interests which are not material to the Group are not shown separately in the accounts. (b) Inventories Inventories are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads. Unrealised profits included within the valuation of inventories manufactured by one Group company for another are eliminated. Government grants receivable have been deducted from the cost of the relevant assets. Fixed assets are depreciated as follows:---Freehold buildings 2% p.a. straight line on cost of 1976 valuation (d) Research and development, and repairs and renewals Expenditure is written off in the period in which it is incurred. Liabilities of the Group denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the period ends. Exchange gains and losses are treated as normal items of the period's operations. (f) Deferred Taxation In accordance with the requirements of Statement of Standard Accounting Practice Number 15, provision for deferred taxation based on the liability method is made for all differences arising from the recognition of income and expenditure in different periods for taxation purposes than for accounting purposes, except where it is anticipated at the accounting date that a liability will not arise in the fore-seeable future. 2 Profit and Loss Accounts 9 months ended 31st Years ended 31st March 1975 1976 1977 1978 1979 1979 CONTINUING OPERATIONS £000 £'000 £'000 £'000 £'000 £'000 11.475 12.541 16,356 20,263 26,940 22,817 (a) Cost of goods sold 10,571 11,112 14,683 18,418 23,847 19,971 1,845 66 1,673 87 2,846 175 1,429 76 Other income 992 1,505 1,760 1,911 3,300 3,021 (51)

Profit before taxation from continuing operations
DISCONTINUED

(Section 5) Share of losses of associated

Profit before taxation and extra-

Profit after taxation and before extraordinary items. Extraordinary items, after deduction of appropriate taxation

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Profit attributable to share-

Earnings per ordinary share ...

holders of the Company Dividends

Retained profit

••

THE RESERVE OF THE RESERVE OF THE PROPERTY OF

ordinary items ... Taxation...

OPERATIONS

992 1,505

1,505 (172)

(106)

1,227 (114)

1,113

10-35

709

· 5.9p

1,760 1,911

(88)

1,823 (44)

1,779

1,779 (112)

1,667

13-8p

(51)

1,709 (386)

1,323

(10)

1,313 (1**06**)

1,207

10-2p

3,277

(146)

3,175

3,175 (184)

2,991

24-60

2.970

(83)

2,887 (1,090)

1,797

(276)

1,521 (129)

1,392

13-90

Control of the Contro

1X	No												
ıx İ		des to profit : Seles repre				i to co	tomer	s (exchi	ing V	Tand	inter-grow	. sales).	-
d l	, , ,	-						,	٠		d 31st Ma	·· e	9 months nded 31st. December
al						•	٠.				77 1978 00 £000	1979 £000	1979 £000
	(ъ)	Cost of goo Depreciati	ods sold i on of fixe	include ed asset	\$! S	••	••				34 699	980	856
		Hire of pla Interest pa		achine	ry .	••	••	·			23 22 41 185	26 376	
		Directors'	-	ents .		•• :	••	٠	94 1	04 1	36 144	201	167
1	(c)	Other incomes Bank interest reli	est and o		scellar	ecusi	00001120				69 57 18 9	152 55	175
			• • • • • • • • • • • • • • • • • • • •						88 _		87 66	207	175
	(d)	Taxation Current tax Deferred ta	cation ch exation	arge/(c	zedit)	••	••	2	24 I	72 3	86 44	(44)	1,090
		The taxation to and stock	the ava	ilebilit; Stion 1	y of car	pital al The ci	Sgrad	ces for	•				
).		deferred to	axation,	推 和	DIOV.	ision l	ped po	icy icy	79 5	54 <i>5</i> .	26 957	1,804	612
<u>.</u>	(0)	Loss on clo	sure of I	Vewper	r (Sect	ion.5)	••			78			195 81*
3 . t		Goodwill of Costs of ab	OCTIVE TA	ke ove	tuje pe	1.009	 -	-	= =	28 _	10 —		276
s s	* G	ioodwill wri C. Estop & (itten off Co Limit	in the	nine z Aubit	nonth Platers	period Limit	to 31s	<u> </u>			on the ac	guisition of
	(f)	Dividends Year		Bat.	e of dis	Sdama	naid	Numb		T STROTT		mber of	Amount of
e		ended 31st March		Inte	per sha	re in p	ence	which dend	divi-	dive		ch divi-	dividend waived
•		1975		67	 7-09		5-00		,586	· · · · · · · · · · · · · · · · · · ·	7000	·	£'000
		1976 1977 1978		84 87	1-50 1-50 7-75	8	4·50 7·75 4·75	61 61 61	.176 .176 ,176		113* 106 112	3,410 3,410 3,410	4 6 6
1		1979 9 months ended 31st	٠.	· .	8-00	. 20	12-00	6 1	,176	•	184	3,410	10
۱,		December 1979		200			_	:	,586	٠.	129		_
,	* D who 1976	ividends in were mino	1975 and city share	1976 i	ncinde	additi Ibsidia	onai su ries pri	ms of #	6,000 s	md £17 isition	ph excusing	tively paid se of share	to persons is in March
		Earnings p	reflecting	the sn	hdivisi	ดง สาด	the c	annalis	uion is	sue refe	erred to m	section 5	below. and
		items.	' . م	:	-	· :	T STIES	(AXALEO)				count ev	TROLUMENTY
•	3 B	alance Sheet	s at 31st.	Decem	ber 197	19			Notes		е Стопр		ompany
,	Inve	perty, plant : stments		pment.			••	••	<u>a</u>	- £00	00 £°000 10,931 1,164		£000 1,638 1,164
	:	rests in subs	idiaries	••	••	••	••	. ••	(6)		12,095		15,289
	In D	rent assets ventories ebtors		••	••		••	. ••	(4)	6,10 8,05	50	. 541 933	
۱,	C	ash and ban	k balanc	\$	••	••	•-	•••		14,17	13 	1,474	
	a	rent liabilitie reditors	es				•••	••		6,62		1,576	_
۱.	Po	axation ortion of los one year ank overdra	- · -		term		due w		(e)	- 95 22 3,50	27	26 638	-
	Ď	ividend	* *	••	:-		••	:-		11,43	9	2,455	
	Net	current asse	ts/(lizbili	ties)			 .	••	•.		2,733		(981)
		er liabilities ong and med	lium teim	n loans					· (a)		14,828 1,325		14,308 805
		tangible asse		••	••	••.	••.	••			13,503		13,503
	Sb	resenting: Lare capital courses		••			••	•	(F)	-	65 13,438		65 13,438
									_		13,503	· ·	13,503
. 1	Note		_			-							
		es fo balance Property, pl				er 1979	•		-	-11 5		36.4	
						er 1979			prop	erty eq	lant and minment	Motor vehicles	Total
	(a)	Property, pl Group At 1979 valu	lant and	equip i	ent .	# 1979	•	; ;	Prop £	eny eq 000 285	£000	±'000	£'000 6,285
	(a)	Property, pl Group At 1979 value Cost Depreciation	ant and o	equip i	ent .	# 1979 			Prop	285 338	£000 7,715 (3,877)	£'000 899 (429)	£'000 6,285 8,952 (4,306)
	The	Property, pl Group At 1979 value Cost Depreciatio Nat book va Company At 1979 value	vation (so	equipă	w)	er 1979		::	E 6,	eny eq 000 285	7,715 (3,877) 3,838	#'000 #'000 899 (429) 470	£'000 6,285 8,952 (4,306) 10,931
	The	Group At 1979 value Cost Depreciatio Nat book va Company At 1979 value Cost Depreciatio	lant and deviation (see	equipă	w)			::	# 6,	285 338 623 795	£'000 7,715 (3,877) 3,838 1,352 (618)	#000 #000 #899 (429) #70 #70 202 (93)	£000 6,285 8,952 (4,306) 10,931 795 1,554 (711)
	The The	Property, pl Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va	lant and description (see	equiph c below	w)	ove st	1979	alvatio	prop	285 338 623 795	7,715 (3,877) 3,838 1,352 (618) 734	#000 #000 899 (429) 470 202 (93) 109	£'000 6,285 8,952 (4,306) 10,931 795 1,554 (711) 1,638
	The The	Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct	uation (se uation (se uation (se uation (se ureyors vere previous at a	equiph e below ee below ies state , at opsily	w)	ove at ket val	1979 ville for 6. Incl	existing uded in	5. 6, 6, were use on freeho	285 338 623 795 revaluation	7,715 (3,877) 3,838 1,352 (618) 734 ed by Meselectry is a poetry is a	#000 #000 899 (429) 470 202 (93) 109 8rs. Grind 979. Certain	£'000 6,285 8,952 (4,306) 10,931 795 1,554 (711) 1,638 ey & Son, in freehold the course
	The The	Property, pl Group At 1979 vala Cost Depreciatio Net book va At 1979 vala Cost Depreciatio Net book va All freehold Chartered S properties w	uation (se uation (se uation (se uation (se ureyors vere previous at a	equiph e below ee below ies state , at opsily	w)	ove at ket val	1979 ville for 6. Incl	existing uded in	5. 6, 6, were use on freeho	285 338 623 795 revaluation	7,715 (3,877) 3,838 1,352 (618) 734 ed by Mes ecember is perty is a present of the control of th	202 (93) 109 109 202 (93) 109 279, Certa resperty in of £30,000	£'000 6,285 8,952 (4,306) 10,931 795 1,554 (711) 1,638 ey & Son, in freehold the course
	(a) The	Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct	uation (se uation (se uation (se uation (se ureyors vere previous at a	equiph e below ee below ies state , at opsily	w)	ove at ket val	1979 ville for 6. Incl	existing uded in	5. 6, 6, were use on freeho	285 338 623 795 revaluation	1,352-(618) 7,74 ed by Mesember 1: perty is a prevaluation of	202 (93) 109 109 202 (93) 109 279, Certa resperty in of £30,000	#900 6,285 8,952 (4,306) 10,931 795 1,554 (711) 1,638 sy & Son, in freehold the course
	The	Property, pl Group At 1979 value Cost Depreciatio Net book va Connyany At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value	uation (se	equiph e below ee below ies state , at opsily	w)	ove at ket val	1979 ville for 6. Incl	existing uded in	5. 6, 6, were use on freeho	285 338 623 795 revaluation	1,352 (618) 734 ed by Mesecomber 1: perty is a p valuation of £'00	202. (93) 109 srs. Grind 979. Carts. roperty in of £30,000.	#000 6,285 8,952 (4,306) 10,931 795 1,554 (711) 1,638 ley & Son, in freehold the course
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	The (tip)	Property, pl Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va All freehold Afferend S properties w of construct Investments Listed At cost Market value Unlisted Associate Shares at Loans Shares of propert add: exce current Associated c	ant and duation (see a second	equiph to below the below	w) w) tod about marriaged for the first section of the s	ove at ket value in 19700 and and a	1979 vine for fc. Incl a long	existing uded in leaseho	6, 6, 6, 6, 7aluation	795 revalue 31st Did property at	### ##################################	vehicles £'000 899 (429) 470 202 (93) 109 srs. Grind 979, Certa roperty fr £30,000 The C 18 53 51 66 64 66 67 60% 10%	£'000 6.285 8.952 (4,306) 10,931 795 1,554 (771) 1,638 6y & Son, in freehold the course 6000pany £'000 18 63 1,159 (14) 1,146 1,146 1,146 1,164 matry of oreation
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	(a) The (b) (b) (c) (c) (d) (d) (e) (e) (e) (e) (e) (e) (e) (e) (e) (e	Property, pl Group At 1979 value Cost Depreciatio Net book va Connyany At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value Unlisted Associate Shares at Loans Shares of propert add: exce current Associate Associate Cordinary: Associated contract Investments Investments Interests in s Shares of Interests in s Interests in s Shares of Interests in s	ant and dant	ies station ulated	w) w) ted about marriaged for stellar for st	ove at the training of the tra	1979 vine for fc. Incl a long	existing uded in leaseho	6, 6, 6, 6, 6, 7aluatio	795 revalue 31st Did property at	The Grounds of the Gr	### Property in 16 Cord incorp 100	£'000 6.285 8.952 (4.306) 10,931 795 1,554 (771) 1,638 by & Son, in freehold the course company £'000 18 63 1,159 (14) 1,146 1
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	(a) The (b) (b) (c) (d) 1	Property, pl Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value Unlisted Associated Shares of propert add: exce current Associated Condinary: Associated Condinary: Interests in s Shareholding Amounts du Interests in s Shareholding Interests in s Shareholding Amounts du Interests in s Shareholding Interests in s Interests in s Interest in s In	ant and district a	ies station liative principles desired and learning indianies	w) w) ted ab an mary valued for the state of th	ove at the training ching chin	1979 ine for 6. Incl a long	existing uded in leaseho	6, 6, 6, 6, construction	795 revalue 31 st Did revalue	### ##################################	vehicles £000 899 (429) 470 202 (93) 109 srs. Grimin 979, Certar reperty in of £30,000. ap The Co of incorp 14 12 16 177) 14 170 18 19 The Co of incorp The Co of incorp The Co of incorp The Co of incorp	### ### ##############################
	(a) The (b) (b) (c) (d) (d) (e) (f)	Property, pl Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value Unlisted Associated Shares of propert add: exce current Associated c Newpeer All Ordinary: Associated c Newpeer All Ordinary: Interests in s Shares of propert Announts du Interests in s Shares of Finished good Interests in s Sharesoided Announts du Interests in s Sharesoided Announts du Interests in s Sharesoided Fredering Interests in s Sharesoided Ordinary: Interests in s Sharesoided Announts du Interests in s Sharesoided Interests in s Interest in	d Comps d Comp	equiph se below ies station idiaries sta	w) w) ted ab an mary valued for the state of th	ove at the training ching chin	1979 ine for 6. Incl a long	existing uded in leaseho	6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6	795 revalue 31 st Did revalue	### ##################################	vehicles £000 899 (429) 470 202 (93) 109 srs. Grimin 979, Certar reperty in of £30,000. 18 51 62 The Co of incorp 16 177) 14 16 177 18 19 The Co of incorp 16 16 16 16 16 16 16 16 16 16	### ### ##############################
	(a) The (b) (b) (c) (d) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Property, pl Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value Unlisted Associate Shares of propert add: exce current Associated e Cordinary: Associated e Cordinary: Interests in s Shareholdin Amounts dn Inventories Redeemak Peerless Cree Ordinary: Interests in s Shareholdin Amounts dn Inventories Redeemak Peerless Cree Ordinary: Interests in s Shareholdin Amounts dn Inventories Redeemak Peerless Cree Ordinary: Interest in pro- Finished good Long and ma Louis secure 1980 1981 1982 1983 1985 1985 1985 1985 1985 1985 1985 1985	ant and de la	ies stated	ted about the district of the state of the s	ove at the training ching chin	1979 ine for 6. Incl a long	existing uded in leaseho	6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6	795 revalue 31 st Did revalue	### ##################################	vehicles £000 899 (429) 470 202 (93) 109 srs. Grimin 979, Certar reperty in of £30,000. ap The Co of factor incorp The Co of factor of fac	### ### ##############################
	(a) The (b) (b) (c) (d) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Property, pl Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value Unlisted Associated Shares of propert add: exce current Associated c Newpeer All Ordinary: Associated c Newpeer All Ordinary: Interests in s Shares of propert Announts du Interests in s Shares of Finished good Interests in s Sharesoided Announts du Interests in s Sharesoided Announts du Interests in s Sharesoided Fredering Interests in s Sharesoided Ordinary: Interests in s Sharesoided Announts du Interests in s Sharesoided Interests in s Interest in	ant and de la	ies stated	ted about the district of the state of the s	ove at the training ching chin	1979 ine for 6. Incl a long	existing uded in leaseho	6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6	795 revalue 31 st Did revalue	### ##################################	### Corp.	### ### ### ### ### ### ### ### ### ##
	(a) The (b) (b) (c) (d) (d) (d) (d) (e) (e) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Property, pl Group At 1979 value Cost Depreciatio Net book va Company At 1979 value Cost Depreciatio Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value Unlisted Associate Shares at Loans Shares at Contract Associate Associate Shares at Loans Shares of propert Associate Continuty Associate Shares of propert Associate Continuty Associate Shares of propert Associate Continuty Continu	d Companies account ies d Companies account ies continues account accoun	ies stated in the state of interest in the sta	ted about the district of the state of the s	ove site value of the state of	1979 ine for 6. Incl a long	existing uded in the selection of the se	from F. S.	795 revalue 3181 Dienty at	### ##################################	### Corp.	### ### ### ### ### ### ### ### ### ##
	(a) The first (b) (c) (d) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Property, pl Group At 1979 value Cost Cost Depreciation Net book va Company At 1979 value Cost Depreciation Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value Unlisted Associated Shares of propert add: exce current Associated Chartered S Propert Add: exce current Associated Chartered S Propert Add: exce current Loans Chartered S Cordinary: C	distant and of the control of the co	ies stated interest i	tent to the state of the state	ove site value of the value of	1979 ine for 6. Incl a long argument in the control of the control	existing uded in the school of	5 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6,	1000 2885 338 623 795 revalue 31 st District of the	### ##################################	### Corp.	### ### ##############################
	(a) The first (b) (c) (d) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Property, pl Group At 1979 value Cost Lost Depreciation Net book va Company At 1979 value Cost Depreciation Net book va Company At 1979 value Cost Depreciation Net book va All freehold Chartered S properties w of construct Investments Listed At cost Market value Unlisted Associate Shares at Loans Shares of propert add: exce contrent Associate Continuty in Shares of propert Associate Contrent Associate Contrent Loans Shares of propert Associate Contrent Loans Contrent	ant and de la	ies station liated and station district in the station	tent w) ted about a floates of yay and yay the selection of the selectio	ove state value of the state of	1979 ine for 6. Incl a long a long a long of it of a long	existing uded in the school of	ssets of saluation	1000 2885 338 623 795 revalue 31st District on of the second of the seco	### ##################################	### Corp.	### ### ### ### ### ### ### ### ### ##

A Bassess Tea Group							
r) Reserves—The Group Distributable		••		• /	1,955 9,079		.:
At 1st April 1974 Retained profits—1st April 1974 to 3	ilst Dec	nber 1979	j				
At 31st December 1979 (the Compan			** , **	<u>. ب</u>	1,034		
Non-distributable			<u>•</u> -	_	131		· · · · · ·
At 1st April 1974 Surplus on revaluation of properties	in 1976	••	405 1,863	3	•.		
	70, 73.63	••		<u>.</u> 5	2,268 5	, H. M.	
Arising on acquisition of a subsidiary		44	••	٠	2.404		
At 31st December 1979 (the Company	y£11,877	4,000)				'	-
Total		**	•• ••	, <u> </u>	3,438		
•				The G	roop T	the Charpeny	
•					£'000	£000	
) Deferred taxation		ot	·	_	,	ি ক্রিটি বিশ্ববিদ্যালয়	•
As stated in Accounting Policy (1), 10	il provisu	ou is not	ided in full	Ĺ			
PA IDS CLAIM ST 31ST DOCUMENT 13.13	it would	have been	T Spbrow.		3,100	- 390	
Accelerated capital allowances		••	**	. 2	2.275	151 (12)	'
Other timing differences, including	Josses Ca	rried fory	bys,		(241)	-	:
				•	5,134		• -
In addition no provision has been n liability of approximately £631,000							- ·
for the Company which would arise				•			1.00
their revalued amounts.	•	:	-	The G		he Conspany	
The second secon	- <070			- 3	£7000	£006	٠,
Capital commitments at 31st December Contracted for but not provided in a	CCOUNTS				843 497	13 70	
Authorised but not contracted	• •	. ••	•• ••	· · · · ·	1,335		• • • • •
· · · · · · · · · · · · · · · · · · ·				***			
Contingent liabilities Guarantees by the Company of ban	ik indebtr	otness of	subsidiary			2.963	
Combanies		••	••	-		2300	
			٠.				-
Source and Application of Funds of the Gro	oraș ·				: .*	Nine	
	·					months	
		Years	ended 31st	t March	· · ·	ended 31st December	
	1975	1976	1977	1978	1979	1979	
	£'000	£000	£'000	€000	€000	£000	
ource of funds rofit after taxation and before extra-	•			_			
ordinary items djustment for items not involving the	768	1,333	1,323	1,779	3,175	1,797	
movement of funds:	359	426	634	699	980	856	
Depreciation Share of losses of associated companies.		-	51	- 88	169	134	
otal generated from operations.	1,127	1,759	2,008	2,566	4,324	2,787	
epayment of loan by associated com-	_	_	· ·	23	40		
ale of Investments	470	492	101	=:	1,150	224	
Ne or miterinana	1,597	2,251	2,109	2,589	5,488	3,011	
						-	
pplication of funds epsyment of loan		224	258	257 14	229	30 <u>1</u>	
nichase of investments	59	114	106	112	184	129	
ost of abortive takeover. urchases less disposals of property, plant	· —	28	10	_			
and equipment	1,007	1,482	1,048 239	1,824	3,078 792	2,269 382	•
xcess cost arising on purchase of 511b-		78		. —		81	
sidiaries	- 1000		1 551	2 207	4,283	3,169	
	1,066	1,926	1,661	2,207	<u> </u>		
•	531	325	448		1,205	(1.58)	
crease/(decrease) in working capital	٠			· ·			
Increase in debtors	81 192	672 746	954 679	1,170 1,335	1,776 1,963	1,054 (385)	
(Increase)/decrease in creditors exclud-		(1,170)	(921)	(1,502)	(2,062)	·	
ing dividends and taxation Decrease / (increase) in taxation	(253)			_			
Deriesse / (moreas) in termon	75 436	55 22	(222) (42)	105 (726)	187 (659)	(874) (1,553)	
liabilities Increase/(decrease) in net liquid funds				382	1,205	(158)	
liabilities	531	325	448				
liabilities	531		448			منينست	
liabilities	531		448	,			
liabilities Increase/(decrease) in net liquid funds Post balance sheet events	 •					Paul Luny	
liabilities Increase/(decrease) in net liquid funds	e Compar	my were to	transferred	d to a sei	bsidiary	Balance Sheet	

On 11th March 1980 one of the associated companies, Newpeer, in which the Group had a 30% interest, ceased to trade. The profit and loss account in section 2 above includes as an extraordinary item the Group's share of the loss on closure of Newpeer, estimated at £195,000; the Group's share of trading losses up to the date of closure has been dealt with in Discontinued Operations in Section 2 above. On 7th May 1980 the Company purchased the entire issued share capital of John Dewhurst (Plumbing Heating Products) Limited ("Dewhurst") for an initial consideration of £250,000, to

further annual payments equivalent to the audited post-tax profits of Dewhurst for each of the four financial years ending 31st March 1981, 1982, 1983 and 1984, the aggregate maximum payment not to exceed £600,000. Further details are set out in Appendix II. On 8th May 1980 the issued share capital of the Company of 64,586 ordinary shares of £1 each was subdivided into 258,344 ordinary shares of 25p each and a bonus issue of 49 new ordinary shares of 25p each for each ordinary share of 25p then held was made by way of capitalisation of reserves of £3,164,714, thereby increasing the issued share capital to 12,917,200 ordinary shares of 25p each.

No audited accounts of the Company or any of its subsidiaries have been made up in respect of 'my period subsequent to 31st December 1979.

Yours faithfully, TOUCHE ROSS & CO. Chartered Accountants

APPENDIX I FORECAST OF PROFITS

1. The Directors have forecast that on the assumption that there is no significant post balance sheet event beyond the control of the Group which could affect the profits of the Group for the year ended 31st March 1980, the profits of the Group from continuing operations and before extraordinary items for the year ended 31st March 1980 subject only to taxation were not less than £3,800,000.

The following are copies of letters to the Directors of the Company relating to the profit forecast for the year ended 31st March 1980:—

(a) Letter from the Reporting Accountants.

Hill House, 1 Little New Street, London, EC4A 3TR 8th May 1980

The Directors, Peerless Limited

We have reviewed the accounting policies and calculations for the profit forecast of Peerless Limited and its subsidiaries (for which the Directors are solely responsible), for the year ended 31st March 1980 of not less-than £3,800,000, as set out on page 12 in the Offer for Sale dated 31st May 1980. The profit forecast is based on andired accounts for the nine months ended 31st December 1979, unaudited management accounts for the two months ended 29th February 1980 and estimated results for the one month to 31st March 1980.

In our opinion, the profit forecast, so far as the accounting policies and calculations are concerned has been properly compiled on the grounds of the assumption made by the Board set out in the Offer for Sale and is presented on a basis consistent with the accounting policies normally adopted by the Company and its subsidiaries.

Yours faithfully,
TOUCHE ROSS & CO.
Chartered Accountage

(b) Letter from Singer & Priedlander Limited:

123 Hagley Road, Birmingham B16 SLP 8th May 1980

The Directors,
Peerless Limited,
Dear Sira,
We refer to the Offer for Sale dated 8th May 1980 and to the profit forecast for the Group for the year ended 31st March 1980, containing therein.
We have discussed the accounting policies and calculations upon which the profit forecast has been made with both yourselves and Touche Ross & Co. and have considered their letter to you of 8th May 1980 referring thereto.
On the basis of the assumption set out in the Offer for Sale, and the accounting policies and calculations reviewed by Touche Ross & Co. we consider that the profit forecast for the year ended 31st March 1980 (for which the Directors are solely responsible) has been prepared after due and careful enquiry.

Your faithfully,
for and on behalf of
SINGER & FRIEDLANDER LIMITED
CHARLES T. BLUNT
Managing Director.

: APPENDIX II

JOHN DEWHURST (PLUMBING & HEATING PRODUCTS) LIMITED

Acquisition terms On 7th May 1980 the Company purchased the whole of the issued share capital of John Dewhurst (Flumbing & Heating Products) Limited ("Dewhurst") for an initial consideration of £250,000 together with four further annual payments equivalent to the audited post-tax profits of Dewhurst for each of the four financial years ending 31st March 1981, 1982, 1983 and 1984, the aggregate maximum payment not to exceed £600,000.

History and business Dewhurst was incorporated as Mid-Wales Tools Limited on 6th April 1971. Until recently it was a domain subsidiary of the Company but on 1st August 1979 it was acquired at not asset value by Mesers. W. S. Jordan, A. G. Jones, C. M. Jordan, R. G. Crick, E. R. Hooy, R. J. Bowden and D. S. Bowden for the purpose of acquiring the undertaking and assets of John Dewhurst & Sors, a partnership which had changed it name. Dewhurst operates from long leasehold premises of approximately 3,000 sq. ft. at Failsworth, Greater Manchester. day May 12 185

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The net assets of Deschure	7 - 1 The 1971 Co.		d R. G. Crick
nanagement accounts as at 3	t which have been warranted 1st March 1980 are as follows:-	by the Vendors, are based	
Current assets			. £'000 ·
Inventories	# 1 I I		183
Corrent liabilities Bank overdraft			· 415
Creditors Taxation			42
		** ** **	67
Net current assets			271
Fixed assets Net assets			14
rolits before taxation			
Dewhurst's profits before tax	ation for the eight months to 3 accounts to that date; as the b	Ist March 1980 amounted to a	rpproximately
enefits to Grown arising from	scoristim.	ar year or and	. <u>.</u> .
ewhurst has an established a cerue to the Group once the ill continue to accepte a sign	maintainable market for its pro- purchase consideration has bee uffcant sales outlet of one of the	ducts and a good level of profits on satisfied fully. In addition, t	is expected to
Owdens.		company a crising annualis.	у соправо,
**************************************	APPENDIX III		
he Group owns-15 freehold	PROPERTIES properties and occupies as less	ee a further 7 leasehold prope	aties. Messrs.
i the basis of open market v	properties and treather as less four-eyers, have valued the free alue for existing use at 31st Dece	chold and leasehold properties ember 1979.	at £6,285,000
rechold Properties* - occupier	Premises	Tenure	Approx.
corions Limited	Transport Assess		(sq. feet)
ceriese-Stampings Ltd.,	Priory Road, Aston, Birmingham Offices and factory	Freehold	96,900
epco (Engineering) Limited tringer Bros. & Matty Lad.	Shady Lane, Great Barr, Birmingham—Offices and F.	Freehold actory	18,300
kegon (Clips & Pressings) Ltd	 Milibuck Trading Estate, St. Road, Witney, Oxfordshire- 	ation Freehold	. 31,150
ngineering Concessionaires	Offices and factory Sandycroft Industrial Estate Decade Clwyd—Offices and	Freehold	180,000
urniture Company owden Bros. & Co. (anchester) Ltd.	factory 19 Blossom Street, Manches	ter - Freehold	4,700
raco Plating Co. Manchester	Offices, warehouse and car p Bank Street, Clayton, Mand Offices and factory		16,000
owbros Ltd.	Unit 17A, Hazel Grove Indu Estate, Hazel Grove, Cheshi	strial Freehold	21,500
occiess Plastics Ltd.	Offices and factory Apollo, Lichfield Road Indu Estate, Tamworth, Staffs.—	strial Freehold	37,900
cerless Plastics Ltd. and	Offices and factory Coton Park Industrial Estate		32,900
eeriess Form Moulding Co. td.	Tamworth, Staffs.—7.69 acro offices, factories (part being built), and undeveloped land		
C. Estop & Co. Ltd.	40 Slad Road, Stroud, Glos- Offices and factory		15,800
SK (Aluminium) Ltd.	Cambrian Mills, Llanidloes, Powys—Offices and factory Railway Foundry, Llanidloe		37,300 36,000
arclay Smart (Plastica) Ltd.	Powys 23/27 Brunswick Street, Luice Bedfordshire—Offices and fa	on, Freehold	42,500
andall Electronics Ltd.	The Maitings, Ampthill Road Bedford—Offices and factory		54,400
SK (Aluminium) Ltd.	Kenyon Street, Birmingham Offices and factory	 Major part freehold— extension leasehold 99 y. 	ears
		from 24th April 1979 commencing rent £50 pe annum with fixed review	\$
esschold Properties		at 25 year intervals.	25,500
ngineering Concessionaires td.	Unit 2B, Gatwick Gate Estat Crawley, West Sussex—Office and warehouse	te, Leasehold for 25 years fi tes 24th June 1978 at a year rental of £48,500.00 with	y
		reviews at 5 year interval calculated from 1st Febr 1980,	s, nary 22,300
iendale Kitchen Products Hasgow) Ltd.	Units 1, 23 and 4 Houston St Glasgow—Warehouse	treet, Leasehold for 25 years fr 31st December 1979 at £28,200.00 per annum w	
	ng ngangan sa Pilipa Managan sa S antagan sa Santagan	rent reviews at 5 year int from the date of entry.	ervals 20,250
eerless Homecentzes Ltd.	43/45 Merrial Street, Newcastle-under-Lyme—Sh	reviews at 7 and 14 years	
periess Homecontres Ltd.	488/492 Nottingham Road,	current rent £8,750.00 pe annum. Leasehold for 42 years fi	4,750
	Chaddesden, Derby-Shop	18th December 1970 with rent reviews every 7 year current rent £11,000.00 p	<u>h</u> .
ubit Platers Limited	Harrowbrook Road, Hinckie	annum.	7,000
	Leicestershire—Factory and offices	29th September 1962 at a rental of £207.40 per and (no rent reviews).	1 1000 4.150
lopak L±d.	Cosgrove Close, Blackpole Trading Estate, Worcester—	Leasehold for 25 years for 11th May 1976 with 5 ye	on .
ceriesz Control Systems Ltd.	Offices and warehouse	rent reviews at £14,600.0 per annum. Leasehold for 5 years fro	15,700
	Milton Keynes—Offices and factory		ental
	APPENDIX IV		-
	LIUTORY AND GENERAL I	NFORMATION '	
Subsidiary and Associate Co he dates of incorporation at	empanies and issued share capitals of the proporated in England (save as	subsidiaries of the Company	("the Subsi-
private companies and all empanies of the Company are	of which (save as otherwise	mentioned), are wholly owner	d subsidiary
ame of Company	e and a second of the second of	Date of Iss Incorporation paid up	ued and fully share capital
owden Bros. & Co. (Manche	ster) Limited	20.6.34	£ 38,720
owbros Limited S.K. (Aluminium) Limited ngineering Concessionaires I	inited	18.2.64 3.12.47 27.3.56	4,000 <i>85,400</i> 1,800
		29.6.45 18.5.60	15,000
eriess Homecentres Limited		27.1.60 17.1.24	7,100 12,646
periess Homecentres Limited andail Electronics Limited eriess Research & Develops ringer Bros. & Matty Limite		24.7.63	2,500 1,212
eriess Homecentres Limited andall Electronics Limited eriess Research & Develops ringer Bros. & Maty Limite eriess Flastics Limited eriess Plastic Moulds Limite		16.12.66	
eriess Homecentres Limited andall Electronics Limited seriess Research & Developminger Bros. & Matty Limited seriess Plastics Limited seriess Plastics Limited seriess Plastic Moulds Limited seriess Stampings Limited arciasy Stuart (Plastics) Limited arciasy Stuart (Plastics) Limited	sd.	27.5.59 12.11.57	50,000 2,161
eriess Homecentres Limited andall Electronics Limited seriess Research & Developminger Bros. & Matty Limited seriess Plastics Limited seriess Plastics Limited seriess Plastic Moulds Limite ceriess Stampings Limited arciay Stuart (Plastics) Limited seriess Pressure Diocastings Intward Tools Limited	sd ed Junited	27.5.59 12.11.57 24.7.63 27.2.67	50,000 2,161 3,096 2,000
eriess Homecentres Limited and all Electronics Limited eriess Research & Developming Bros. & Matty Limited eriess Plastics Limited eriess Plastics Limited eriess Stampings Limited arciay Stuart (Plastics) Limited eriess Pressure Diocastings I utward Tools Limited egon (Clips & Pressings) Limited egon (Clips & Pressings) Limited egon (Clips & Pressings) Limited	sd ed Junited	27.5.59 12.11.57 24.7.63	50,000 2,161 3,096
ceriess Homecentres Limited andall Electronics Limited seriess Research & Developminger Bros. & Matty Limited ceriess Plastics Limited ceriess Plastics Limited ceriess Plastic Moulds Limited ceries Stampings Limited arclay Stuart (Plastics) Limited ceriess Pressure Discastings I intward Tools Limited ceries Pressure Discastings I intward Tools Limited ceries (Chysicesting) Limited lopak Limited lopak Limited lopak Kitchen Products (Glendals Kitchen	ed Limited nited Hasgow) Limited (Scotland)	27.5.59 12.11.57 24.7.63 27.2.67 20.7.70 28.10.52	50,000 2,161 3,096 2,000 200 14,202
ceriess Homecentres Limited and all Electronics Limited ceriess Research & Developming Bros. & Matty Limited ceriess Plastics Limited ceriess Plastics Limited ceriess Stampings Limited arclay Stuart (Plastics) Limited criess Pressure Diocastings I united arclay Stuart Tools Limited egon (Cilps & Pressings) Limited con (Cilps & Pressings) Limited longh Limited. Limited longh Limited. (Gipc Marketing Limited (51% race Plating Co. (Manchester C. Estro & Co. Limited	ed Limited hited hitesgow) Limited (Scotland)) r) Limited	27.5-59 12.11.57 24.7.63 27.2-67 20.7.70 28.10.52 16.11.73 30.3.76	50,000 2,161 3,096 2,000 200 14,202 110 100 1,600 2,000
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E Suare capital

The Company was incorporated in England on 2nd March 1920 under the Companies Acts 1908-1917 under number 1647/19 with an authorised share capital of £1,000 divided into one thousand shares of £1 each. By Special Resolutions dated 17th April 1952 and 12th March 1976 respectively the authorised share capital was increased to £40,000 divided into 40,000 shares of £1 each and £65,000 divided into 65,000 shares of £1 each.

16.11.78

2,000

(i) The authorised share capital of the Company was increased to £4,000,000 by the creation of an additional 3,935,000 ordinary shares of £1 each. On 8th May 1980 -

John Dewhurst (Phumbing & Heating Products) Limited

Hilray Kitchens Limited

additional 3,935,000 ordinary shares of 21 each, both issued and unissued, was sub-divided into four ordinary shares of 25p each.

(ii) Each of the existing ordinary shares of 25p each were issued credited as fully paid by way of capitalisation of reserves to ordinary shares of 25p each were issued credited as fully paid by way of capitalisation of reserves to ordinary shares of 25p each then held, and

(b) The Company was converted into a public company and adopted a new objects clause in its Memorandum of Association and new Articles of Association.

Articles of Association

to Articles of Association of the Company contain provisions (inter alia) to the following effect:

(1) Subject to any special terms as to voting upon which any shares may have been issued or may for the time being be held, upon a show of hands every member present in person shall have one vote only, and upon a poll every member present in person or by proxy shall have one vote for every share held by him

(ii) The Directors shall be entitled to such reasonable and proper fees as they shall decide. The Company in General Meeting may also vote extra remuneration to the Board. The Directors shall also be entitled to be repaid by the Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in or about the business of the Company

iii) Any Director (including any person employed by the Company who may be appointed a Director) who serves on any Committee or who devotes special attention to the business of the Company or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director may be paid such extra remaineration by way of salary, percentage of profits or otherwise as the Board may determine

(iv) A Director may hold any office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine and a Director or any firm in which he is interested may act in any professional capacity for the Company (except as Auditors) and he or his firm shall be entitled to remuneration for professional services.

(v) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:—

(a) The giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries.

(b) The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting thereof

(d) Any proposal concerning any other company, in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of the Article to be a material interest in all circumstances)

(e) Any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional inpon approval by the Board of Inland Revenue for taxation

(vi) The Directors may grant pensions allowances gratuities and bonuses to officers employees or ex-employees of the Company (including Directors and ex-Directors) or any Subsidiary or to the dependents of such persons

(vii) Bortowings of the Company and (so far as powers of control can procure) its Subsidiaries exclusive of inter-company borrowings) shall not without the previous sanction of an ordinary resolution of the Company exceed twice the aggregate of the issued and paid up share capital and consolidated reserves (as defined in the Articles of Association and as adjusted therein).

iii) The statutory provisions as to an age limit for Directors apply.

One ransam moder Contract (i) below Singer & Friedlander Limited has agreed, subject to unconditional permission deal in and for the listing of the whole of the issued ordinary there capital of the Company being anted (subject only to allotment) by the Council of The Stock Exchange not later than 14th May 1980 purchase from certain of the present shareholders of the Company a total of 3, 181,800 ordinary shares 25p each with a view to all such shares being offered for sale to the public pursuant to this Offer for lie.

le. purchase price will be 100p per share less a commission of 2.%. This Contract provides, inter alia, at the Company will pay all costs and expenses of and incidental to this Offer for Sale including the eparation, printing, publication and advertising of the Offer for Sale, the increase, and re-organisation the Company's share capital, the adoption of new Articles of Association of the Company, the penses of and incidental to obtaining permission to deal in and for the listing of the Company's need ordinary share capital, the fees of the receiving Bankers, all legal and accountancy expenses and her miscellaneous expenses and a fee to Singer & Friedlander Limited. Such costs and expenses are timated to amount to £320,000 in the aggregate. Singer & Friedlander Limited will pay a fee to the tokers and, pursuant to underwriting Agreements to which the Company is not a party, a commission 12.% of the price at which the shares are now offered for sale.

part of the consideration in respect of the shares to which this Offer for Sale relates will be received the Company and no amount is required for any of the matters mentioned in paragraph 4 of the mith Schedule to the Companies Act 1948.

e following contracts (not being contracts entered into in the ordinary course of business) have been ered into within the period of two years immediately preceding the date of this Offer for Sale and are

(i) Dated 8th May 1980 between W. S. Jordan and certain other shareholders of the Company (1) the directors of the Company (2) the Company (3) Singer & Friedlander Limited (4) being the Agreement referred to above relating to the purchase of and subsequent Offer for Sale by Singer & Friedlander Limited of 3,181,800 ordinary shares of 25p each in the Company

(ii) Dated 23rd April 1930 between the Company (1) Peerless Stampings Limited (2) being an Agreement whereby the Company transferred to Peerless Stampings Limited the whole of its undertaking and assets relating to the business of brass stampings theretofore carried on by the Company for an aggregate consideration equivalent to the value as at 31st December 1979 of the net tangible assets transferred, satisfied partly by the issue to the Company of 99:799 fully paid up sheres of 50p each in Peerless Stampings Limited and as to the balance payable in cash paid to the cash create and its of the partly of the partly by the issue to the Company of 99:799 fully paid up sheres of 50p each in Peerless Stampings Limited and as to the balance payable in cash which eash sum is to remain outstanding on loan account for such period and on such terms as the Company and Peerless Stampings Limited shall agree.

(iii) Dated 8th May 1980 between the Company (1) W. S. Jordan (2) whereby W. S. Jordan has agreed to serve the Company as Executive Chairman to 17th September 1988 unless determined earlier by not less than 7 years notice at an initial salary of £40,000 together with a commission at the rate of £ ½ on the pre-tax profits of the Group in excess of £2,000,000 but adjusted for the profits of any new subsidiary acquired for share capital of the Company or other securities convertible into share capital.

(iv) Dated 8th May 1980 between the Company (1) A. G. Jones (2) whereby A. G. Jones has agreed to serve the Company as Joint Managing Director to 3rd January 1991 but otherwise on the same

(v) Dated 8th-May-1980 between the Company (1) C. M. Jordan (2) whereby C. M. Jordan has agreed to serve the Company as Joint Managing Director to 19th October 1990 but otherwise on the same terms as contract (iii) above.

the same terms as contract (iii) above.

(vi) Dated 7th May 1980 between the Company (1) and Messrs. W. S. Jordan, A. G. Jones, C. M. Jordan (all directors of the Company) R. G. Crick, E. B. Hoey, R. J. Bowden and D. S. Bowden (all directors of subsidiary companies of the Company) (2) being a contract for the purchase of the entire issued share capital of John Dewhurst (Plumbing & Heating Products) Limited ("Dewhurst") for an initial consideration of £250,000 together with four further annual payments equivalent to the andited post-tax profits of Dewhurst for each of the four financial years ending 31st March 1981, 1982, 1983 and 1984, the aggregate maximum payment not to exceed £600,000. In connection with this Agreement, a capitalisation issue of 1,000 Ordinary shares of £1 each was effected on 7th May 1980.

enected on its May 1980.

Dated 20th December 1978 between Dr. S. Hettinga (1) Foam Molding Corporation Inc. (2) the Company (3) P.P.L. (4) being an agreement relating to the formation of Foam Mouldings, the form of its Memorandum and Articles of Association, its financing and the provision to it by Foam Molding Corporation Inc. of technical assistance, plant and machinery.

iii) Dated 23rd April 1980 between the Company (1) Creerise Limited (2) being an agreement relating to the formation of P.C., the form of its Memorandum and Articles of Association and its financing.

(ix) Dated 31st Angust 1979 between A. C. Estop and Mrs. M. C. C. Estop (1) the Company (2) whereby the Company acquired the whole of the issued share capital of A. C. Estop & Co. Limited for a cash consideration of £299,500. In connection with this Agreement a capitalisation issue of 1,000 Ordinary shares of £1 each was effected by A. C. Estop & Co. Limited in August 1070

(x) Dated 11th January 1979 between Building Design (on behalf of P.P.L.) (1) J. C. Bailey Construction Limited (2) being a contract for the construction of a factory and office block at the Coton Park Industrial Estate, Tamworth for a cash consideration of £449,000.

(xi) Dated 10th September 1979 between Building Design (on behalf of P.P.L.) (1) I. C. Bailey Construction Limited (2) being a contract for the construction of a factory, ancillary service buildings and office block at the Coton Park Industrial Estate, Tamworth for a cash consideration of £761,300.

xii) Dared 2nd and 9th April 1979 respectively each between R. Keates, K. B. Houchen, T. Barby and K. Farrell (1) E.C.L. (2) and dated 2nd April 1979 between Aubit Limited (1) Ironsharp Investments Limited (2) and the said R. Keates, K. B. Houchen, T. Barby and K. Farrell (3) whereby E.C.L. acquired for a cash consideration of £323,000 the whole of the issued share capitals of Aubit Platers Limited, Ironsharp Investments Limited and Motor Body Repairs (Hinckley)

Directors' Interest

nediately after the completion of contract (i) above the Directors and their families will together efficially own or be interested in 1,547,494 ordinary shares of 25p each in the capital of the Company resenting approximately 12% of the issued share capital of the Company as follows:—

Ordinary shares of 25p each
Beneficial Interests Non-Beneficial Interests hiding "Family Interest") 321,500 748,200 477,794 ylor L.Wardie as aforesaid the Directors are not aware of any other person holding or beneficially interested in 5%

rement to Contract (vii) above, on 23rd October 1979, Dr. S. Hettings subscribed for in cash and was otted at par 250 shares of £1 each in Foam Mouldings, representing 25% of the issued share capital that the Articles of Association of that company Dr. S. Hettings has the right to acquire at the fair the and, in default of Agreement at a price to be fixed by that company's Auditors, all or any of the tree in Foam Mouldings held by the Company:

(i) if at any time more than one half of the issued share capital of the Company and which carry the right to vote at General Meetings is acquired by any third party (including any group of persons acting in concert) other than the shareholders of the Company as at 16th July 1979 or their spouses or lineal descendants; and

 if at any time the Company becomes a subsidiary of another company otherwise than as a result
of a reconstruction not involving a change in control. 1st May 1980 Mr. G. Gahan subscribed for and was allotted at par 50 Ordinary Shares of £1 each in uldmaking Design Centres Limited, a Company owned as to 50% by Mr. Gahan and as to 50% by in Mouldings. Mt. Gahan is a director of both these companies.

Ist August 1979 Messrs. W. S. Jordan, A. G. Jones, C. M. Jordan (all Directors of the Company), G. Crick, E. B. Hoey, R. J. Bowden and D. S. Bowden (Directors of subsidiary companies of the oppony) acquired from B.S.K. the whole of the issued share capital of Mid-Wales Tools Limited, a mant company for a cash consideration of £1,000 equivalent to the net asset value of that company

7th May 1980 Messrs. W. S. Jordan, A. G. Jones, and C. M. Jordan (all Directors of the Company)
LA. W. J. E. Jordan a Director of Peerless Creerise Limited acquired from Peerless Creerise Limited
flats at Brooks Road, Sutton Coldfield and I flat at Vesey Close, Sutton Coldfield for a cash contration of £71,000 being the open market value attributed to such flats by Messrs. Edwards Bigwood &
wlay in their valuation dated 7th May 1980.

may in ment variation dense the integrated by Contract (i) above, no material issue of shares (other than to share-lets pro rate to existing shareholdings) will be made within one year from the date hereof without the n approval of the Company in General Meeting.

No issue of shares will be made which would effectively alter the control of the Company without the prior approval of the Company in General Meeting. Save as mentioned herein, during the two years immediately preceding the publication of this Offer for

(i) No share or loan capital of the Company or any of its Subsidiaries has been issued nor is any such share or loan capital proposed to be issued either for each or for a consideration other than each; (ii) No commissions discounts brokerages or other special terms have been granted by the Company or any of its Subsidiaries in connection with the issue or sale of any of their respective share or loan capitals:

(iii) No Director has or has had an interest, direct or indirect, in the promotion of or in any assets which have been acquired or disposed of by or leased to the Company or any of its Subsidiaries or proposed to be acquired disposed of by or leased to the Company or any of its Subsidiaries. Save as aforesaid no unissued share or loan capital of the Company or any of its Subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

The aggregate emoluments of the Directors for the year ended 31st March 1979 amounted to £199,000 excluding benefits in kind. Under arrangements now in force their emoluments for the year ending 31st March 1980 will amount to approximately £220,000. Save as disclosed at the date of this Offer for Sale, neither the Company nor any of its Sabsidiaries has subsisting any contract or arrangement in which a Director of the Company is materially interested and which is significant in relation to the business of the Company and its Subsidiaries taken as a whole. Neither the Company nor any of its Subsidiaries has any litigation or claims of material importance pending or threatened against it. The Directors are advised that immediately following completion of this Office for Sale the Company should not be a close Company as defined in the Income and Corporation Tayes Act 1970

In all material instances surtax and shortfall clearances covering the relevant periods up to 31st March 1979 have been obtained in respect of the Company and all its Subsidiaries. By separate contracts to which the Company is not a party, the Vendors have given indemnities to Singer & Friedlander Limited in respect of liability to estate duty, taxation (including Income Tax and Surtax) and Capital Transfer Tax. in respect of hability to estate duty, taxation (including income Tax and Surtax) and Capital Transfer Tax. Singer & Friedlander Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion therein of its name and its letter on the Company's profit forecast in the forms and contexts in which they are respectively included. Touche Ross & Co. has given and has not withdrawn its written consent to the issue of this document with the inclusion therein of its Accountant's Report, its letter on the Company's profit forecast and the references to its name in the forms and contexts in which they are respectively included.

Grimley & Son and Edwards, Bigwood & Bewlay have given and have not withdrawn their respective written consents to the issue of this document with the inclusion therein of their valuations on properties and the reference to their name in the forms and contexts in which they are respectively included. These written consents to their name in the forms and contexts in which they are respectively included. These consents, together with the statement setting out the adjustments made by Touche Ross & Co. for the purposes of its Accountants' Report and giving the reasons therefor and a copy of each of the material contracts listed above have been attached to the copy of this Offer for Sale which has been delivered to the Registrar of Companies for Registration.

Mr. J. M. Wardle is a partner in the firm of Edge & Ellison, Hatwell, Princhett & Co., solicitors to the Company, which firm will be paid a fee in connection with the Offer.

Copies of the following documents may be inspected at the offices of Singer & Friedlander Limited, 20 Cannon Street, London, EC4M 6XE and at 123 Hagley Road, Edgbaston, Birmingham B16 8LP, during usual business hours on any weekday (excluding Saturdays) for a period of 14 days from the date of publication of this Offer for Sale:—

(i) the Memorandum and Articles of Association of the Company:

 (ii) the consolidated audited Accounts of the Company for the years ended 31st March 1978, 31st March 1979, and the nine months ended 31st December 1979; (iii) the Accountants Report and the Statement of the Adjustments made by them for the purposes of their Report;

(iv) the valuations of properties by Grimley & Son and Edwards, Bigwood & Bewlay referred to above;

(v) the material contracts listed above; (vi) the letters relating to the profits forecast set out on page 23;

(vii) the written consents referred to above.

Dated 8th May 1980.

PROCEDURE FOR APPLICATION

Applications (which must be made on the Application Forms provided) must be for a minimum of 200 shares and must be in multiples of 200 shares for up to 2,000 shares, in multiples of 500 shares for between 2,000 and 10,000 shares, in multiples of 2,000 shares for between 2,000 and 20,000 shares and thereafter in multiples of 5,000 shares. No application for any other number of shares will be considered.

Applications should be lodged with Singer & Friedlander Limited, New Issue Department, 20 Camon Street, London EC4M 6XE so as to arrive not later than 10.00 a.m. on 15th May 1980. Each Application Form must be accompanied by a separate cheque (drawn on a bank or branch thereof in England, Scotland or Wales) in respect of the full amount payable on application made payable to Singer & Friedlander Limited and crossed "& Co. Not Negotiable". No application will be considered unless the above conditions are fulfilled. crossed "& Co. Not Negotiable". No application will be considered unless the above conditions are infilled. Completion and delivery of an Application Form accompanied by the necessary cheque will constitute an undertaking that the cheque will be honoured on first presentation and attention is drawn to the warranty in the Application Form to this effect. Singer & Friedlander Limited reserve the right to accept any application in part only or to reject any application and in particular to reject multiple or suspected multiple applications. Preferential consideration will be given in respect of a maximum of 318,180 Ordinary shares to applications made by employees of the Company and its subsidiaries on the special pink forms provided for the purpose, which must be for a minimum of 100 shares and thereafter in a multiple of 100 shares up to 200 shares and thereafter as stated above.

Accordingly applications will be conditional upon the granting of meanistics to deal in and for the

Acceptance of applications will be conditional upon the granting of permission to deal in and for the listing of the entire issued ordinary share capital of the Company by the Council of The Stock Exchange, London not later than 14th May. Moneys paid in respect of applications will be returned if such permission and listing have not been granted by that date and, in the meantime, will be retained by Singer & Friedlander Limited in a separate account. If any application is not accepted or is accepted for lewer shares than the number applied for, a cheque for the application money or the balance thereof, as the case may be, will be sent through the post to the applicant at his risk.

Letters of Acceptance will be renounceable up to and including 27th June 1980. The shares now being offered for sale will be registered free of stamp duty and registration fees in the names of the purchasers or persons in whose favour Letters of Acceptance have been renounced, provided that, in the case of renunciation, Letters of Acceptance duly completed in accordance with the instructions contained therein are lodged for registration on or before 27th June 1980. Share certificates will be despatched on 25th July 1980 at the applicant's risk.

Copies of this Offer for Sale with Application Forms may be obtained from:-

Singer & Friedlander Limited, 20 Cannon Street. London, EC4M 6XE

Singer & Friedlander Limited, 123 Hagley Road, Edebaston,

Hoare Govett Limited, Heron House, 319-325 High Holborn, Lon eron House, 319-325 High Holborn, London WCIV 7PB and at 27 Throgmorton Street, London FC2N 2AN

Murray & Co.,

Миггау & Со.

THE APPLICATION LIST WILL OPEN AT 10 a.m. ON THURSDAY, 15th MAY 1980 AND MAY BE CLOSED AT ANY TIME THEREAFTER ON THE SAME DAY. IN THE EVENT OF AN INDUSTRIAL DISPUTE AFFECTING THE POSTAL SERVICES ON 14th MAY, 1980, SINGER & FRIEDLANDER LIMITED RESERVE THE RIGHT TO KEEP THE APPLICATION LISTS OPEN UNTIL NOON ON FRIDAY, 16th MAY, 1980.

This Form should be filled in and forwarded to Singer & Friedlander Limited. New Issue Department, 20 Cannon Street, London EC4M 6XE with a cheque representing payment in full, so as to arrive not later than 10 am on Thursday, 15th May 1980. Cheques, which must be drawn on a bank in and he payable in England, Scotland or Wales, must be made payable to
"Singer & Friedlander Limited" and he crossed "& Co. Not Negotiable" and are liable to be
presented for payment on receipt. A separate cheque must accompany each application. No
application will be considered unless these conditions are fulfilled.

Applicants are advised to use first class post and to allow two days for delivery,

APPLICATION FORM

(Incorporated under the Companies Acts 1908-1917)

Offer for Sale By SINGER & FRIEDLANDER LIMITED

3,181,800 Ordinary Shares of 25p each at 100p per share, payable in full on application

To the Directors, SINGER & FRIEDLANDER LIMITED

Nu for which

Number of shares for which application is made.	Amount of theque enclosed	minimum of 200 shares and in multiples of 200 shares up to
	£	2,000 shares, in multiples of 500 shares up to 10,000 shares, and in multiples of 2,000 shares up 20,000 shares. Applications in excess of 20,000 shares must be in multiples of 5,000 shares.
Having paid to you the above-n	entioned sum being the ar	nount payable on application fo

the stated number of Ordinary shares I/we hereby apply to purchase that number of shares. I/We agree to accept such shares or any small number in respect of which this application may be accepted subject to the Memorandum and Articles of Association of the Company and to the several terms and conditions contained in the Offer for Sale dated 8th May 1980. I/We request that you issue to me/us a renounceable Letter of Acceptance for that number of shares or such smaller number as aforesaid. I/We authorise you to send such Letter of Acceptance, together with a cheque for any amount overpaid, by post at my/our risk to the address (first) given below.

I/We warrant that the completion and delivery of this Application Form accompanied by a cheque will constitute a representation that the cheque will be honoured on first presenta-tion. I/We acknowledge that Renounceable Letters of Acceptance and cheques for excess application moneys are liable to be held pending clearance of applicants' cheques.

PLEASE USE BLOCK LETTE		
		All Christian Names o
		Surrange (State Mr.,) Miss or Title)
		Address in full
Joint Applicants (if any):	•	
(2) Signature		
All Christian or Forename	· S	

Address (in full)

(3) Signature _ All Christian or Forenames (Mr., Mrs., Miss or Title)

Address (în full) _ (4) Signature All Christian or Forenames

(Mr., Mrs., Miss or Title) Address (in full). Attach Choque bare PLEASE USE BLOCK LETTERS

ALL JOINT APPLICANTS MUST SIGN. A corporation should sign under the hand of a duly authorised official who should state his representative capacity. No receipt will be issued for the payment on application but an acknowledgement will be forwarded in due course through the post by fully paid renounceable Letter of Acceptance and or return of application moneys or any excess thereof. WORLD STOCK MARKETS

Companies and Markets	WORLD STO		HONE KONG
NEW YORK 1997 199	See 44 C. A.H. Pec, Two 51 588 468, Near Patrollers 154 524 525	1915 1500	1980 May 9 Proc. 1980 May 9 First 1980 May 1 1980 May 1 1980 May 2 1980 May 3 1980 May 4 1980 May 5 1980 May 6 1980 May 7 1980 May 8 1980 May 8 1980 May 8 1980 May 8 1980 May 9 198
Indices		9,580 7,260 Matra	7 14.50 11.45 SHP 19.35 5.20 2.68.3A Brews 0.55 0.15 Brunswick Oil 0.19 13.50 10.30 Smith CG Suga 7.40 4.52 CSR 5.52 1.90 1.40 Sorec 1.80 Cartton & Utd. 1.83 15.00 13.50 Tiger Oats 1.80 0.13 50 Tiger Oats 1.80 0.13 50 Tiger Oats 1.80 0.13 50 Tiger Oats 1.83 0.10 0.13 50 Tiger Oats 1.80 0.13 50
NEW YORK	AUSTRALIA Sydney All Ord. (1858/85) 790.51 785.57 784.15 751.58 947.61 (14/2) 750.38 (21/1) Metals & Minis (1858/85) 4766.41 4768.224792.09 4784.27 8680.35 (14/2) 4651.25 (28/8) AUSTRIA Credit Aktien (21/82) 67.70 67.88 67.52 67.73 58.40 (1/1) 67.40(2/6) BELGIUM SE (61/12/65) 94.48 95.48 95.21 65.66 165.76 (11/2) 98.14 (51/8) DENMARK Copenhagen SE (1/177) 78.80 77.77 (u) 77.48 98.74 (21/1) 74.78 (6/6) PRANCE CAG General (23/12/67) 104.80 164.40 165.8 102.9 165.77 (15/2) 95.16 (7/7) GERMANY FAZ-Aktien (31/12/66) 224.00 222.92 218.20 162.9 163.77 (15/2) 55.66 (6/7) GERMANY FAZ-Aktien (31/12/66) 224.00 222.92 218.20 218.60 228.28 (26/2) 212.73 (28/6) ANP-CSS General (1970) 31.50 81.60 89.8 88.5 87.6 (11/2) 74.9 (27/6) ANP-CSS General (1970) 85.60 87.50 684.8 88.5 87.6 (11/2) 74.8 (27/6) HOLLAND ANP-CSS General (1970) 85.60 85.55 64.1 86.5 88.2 (11/1) 88.2 (25/6) HONG KONG Hang Seng Bank(51/764) 862.65 878.8 861.56 867.81 968.17 (15/2) 768.8 (19/6) ITALY Banca Comm. Ital (1872) 94.20 84.11 85.86 84.15 85.56 (2/5) 85.11 (2/1) JAPAN JOWA Average (18/6/46) 5808.38/575.7.9 6884.84 8865.08/8984.81 (25/6) 85.11 (2/1) NORWAY Oslo SE (1/1/22) 125.32 192.86 194.19 189.97 144.76 (14/2) 110.12 (28/6) NORWAY Oslo SE (1/1/22) 125.32 192.86 194.19 189.97 144.76 (14/2) 110.12 (28/6) SPAIN Medali SE (28/12/78) 85.97 84.25 84.49 84.65 08/8984.81 (25/6) 458.6 (28/7) SPAIN Medali SE (28/12/78) 95.97 84.25 84.49 84.68 504.57 (4/6) 458.6 (2/6) 458.6 (2/6) 458.6 (2/6) 110.12 (28/6) 110	1980 May 9 Price 297 225 Perrier 245, 245 255 356 236 236 237 302 Poolsain 240, 235 237 302 Poolsain 240, 230 236 237 235 236 237 235 236 237 235 236 237 235 236 237 235 236 237 235 236 237 235 236 237 235 237 235 237 235	1.00

This week in Parliament

COMMONS-Debate on Private Members' motions until p.m. Second Reading, Iran (Temporary Powers) Bill;

LORDS—Industry Bill, report stage. Motions to approve Southern Rhodesia (Sanctions) Order 1980, and Zimbabwe (Independence and Membership of the Commonwealth) (Con-sequential Provisions) Order

SELECT COMMITTEES Foreign Affairs, Subject: role of the Parliamentary Assembly. Witnesses: Mr. Hans J. de Koster, President, Mr. J. Priestman, Clerk, Council of Europe (Rm. 15, 4 p.m.) Energy Subject: Government statement on new nuclear power programme. Witnesses: Mr. Jim Stewart (MPC). Northern Engineering Industry (Rm. 6, 4.15 p.m.).
Public Accounts: Subject: (1)
Medical Research Council; (2) cost-control of pharmaceutical prescribing in the NHS (3) bank and cash-limit control in the NHS; (4) carry-over of funds at end of financial year. Witnesses: Sir Patrick Nairne, Permanent Secretary, DHSS, Sir Hywel Evans, Permanent Secretary, Welsh Office, Mr. A. L. Rennie Secretary, Scottish Home and Health Dept. (Rm.

TOMORROW
COMMONS — Iran (Temporary Powers) Bill, remaining

16, 4.45 p.m.).

Date

Current

Current

Current

May 19—23

May 18-22

June 17-19

June 19—22 June 23-26

June 28-July 6 ... Motor

LORDS-Transport Bill, committee stage. Motion to approve Criminal Justice (Northern Ireland) Order 1980. Concessionary Travel for Handicapped Persons (Scotland) Bill, com-

BUSINESSMAN'S DIARY

May 13)

LORDS—debate on appointment of Sir Ian McGregor as chairman. Licensing (Amendment) No. 2 Bill, second reading. Licensed Premises (Excdusion of Certain Persons) Bill, second reading. Motion to approve Diocese in Europe SELECT COMMITTEES -

Welsh Affairs. Subject: role of Witnesses: Council for the Principality (Rm 16, 10.30 am). Foreign Affairs. Subjects: effects of Soviet expansion for Patition of Soviet expansion for Soviet e British foreign policy. Africa. Witnesses: Mr. James Mayall, London School of Economics (Rm 8, 10.45 am). Industry and Trade. Subject: import and export trade. Witnesses: British committee stage.

UK TRADE FAIRS AND EXHIBITIONS

Title Venue International Philatelic Exhibition (01-385 1200) Earls Court

Confectionery, Tobacco and Newsagents' Exhibition New Horticultural Hall, (until May 14) Westm

(until May 14)
Wholesale Buyers' (Spring) Gifts Fair (01-855 9201)
Until May 14)
Until May 14)
International Heating Ventilating and Air Conditioning Exhibition (021 705 6707)
Self-Service Display Equipment and Shopfitting Olympia
Exhibition—SHOPEXINT (01-540 1101)
International Word Processing Exhibition and Wembley Conference Centre
Conference (01-405 6233)

(until May 14)
British Craft Trade Fair (0282 867153) (until Harrogate

OVERSEAS TRADE FAIRS AND EXHIBITIONS

er and Plastics Exhibition (021-

(01-486 1851)
Advanced Communications Exhibition—EURO-Copenhagen
COMM 80 (01-540 1101)
Solar Energy Exhibition Genoa

World Frozen Food Exhibition (01-529 8817) Monte Carlo
ASEE Educational Resources Exhibition (01-437 Massachusetts 0678) or Show, Components and Accessories Braga

May 20—23 International Word Processing Exhibition and Conference (01-405 6233)

May 20—23 Chelsea Flower Show (01-534 4333)

June 2—7 International Materials Handling (021-705 6707)

June 6-14 ... Fine Art and Antiques Fair (01-385 1200)

June 8-11 ... Sunday Times Business to Business Exhibition (01-407 4046)

June 10-12 ... June Carp Fair (01-236 0911)

June 10-13 ... Institute of Housing Annual Conference and Exhibition Conference and Exhibition (01-242 3267)

Current International Trade Fair for Optometry-OPTICA Cologne

May 14—17 International Tyre Dealers, Vulcanizers and Retreaters Trade Fair

May 17—21 Industrial Equipment Exhibition.

Brusse May 19—21 Mint Directors Conference and Exhibition (01-486)

June 10-14 Educational Equipment Exhibition-VISODATA Munich

May 20—23 International Petroleum Exhibition—PETROTECH Amsterdam

705 6707)
Petroleum and Marine Environment International

Conference and Exhibition

Reprographics Exhibition—REPROGRAPHICS 80

International Carpet and Floor Coverings Exhibition (01-439 3964) BIAM—International Machine Tool Exhibition

..... BIAM—International Machine 1001 Exhibition International Advertising Market IAM (01 499 Paris

Exhibition
Audio Visual ExhibitionAUVI (021-705 6707)
International Training and Educational Symposium
and Exhibition—INSTRUCTA (61-486 1951)

SELECT COMMITTEE - Textile Federation, embracing Sentish Affairs. Subject: cooperation and overlap among industry, British Clothing Inagencies, etc., responsible for dustry Council for Europe
attracting inward investment to (Rm 15, 10.45 am). Public
Scotland. Witnesses: Scottish
New Towns, Northern Ireland Research Council; (2) costcontrol of pharmaceutical prement of Commerce (Rm 5, 10.45 am). Public
control of pharmaceutical prement of Commerce (Rm. 5, 4 p.m.). ENVIRONMENT. Subject: council house sales. Witnesses: Building Societies Association (Rm 16, 4.15 p.m.).

TRANSPORTS State-Action (Rm 16, A.15 p.m.).

Control of pharmaceutical prescribing in the NHS; (3) bank and cash-limit control in the NHS; (4) carry-over of funds at end of financial year. Witnesses: Sir Patrick Naime, Association (Rm. 16, 4.15 p.m.). nesses: Sir Patrick Nairne, TRANSPORT. Subject: Channel Permanent Secretary, DHSS. link: Witnesses: British Rail-Sir Hywel Evans, Permanent link: Witnesses: British Rail-ways Board (Rm. 17, 4.30 p.m.). Secretary. Welsh Office, Mr. Parliamentary Commissioner for A. L. Rennie, Secretary. Scot-Administration. Subject: Retish Home and Health Departments of the Parliamentary ment (Rm 16, 4 pm). Employ-Commissioner. Witness: Mr. ment. Subject: Manpower Ser-C. M. Clothier QC. Parliamen-vices Commission's Corporate tary Commissioner (Rm. 7, Plan, 1980-84. Witnesses: Sir Richard O'Brien, MSC chairman, Mr. J. Cassels, director, COMMONS—proceedings on manpower intelligence and Gas Bill and Sea Fish Industry planning division (Rm 15, Bill. 4.30 pm).

THURSDAY COMMONS - Progress on Health Services Bill, followed (at about 7 pm) by debate on the appointment of BSC chairman. Motion on Iron and Steel (Borrowing Powers) Order.

LORDS — Iran (Temporary
Provisions) Bill, second read-

ing and remaining stages. Social Security Bill, third readthe Welsh Office and associated ing.
bodies in developing employment opportunities in Wales. vironment. Subject: council vironment. Subject: council house sales. Witnesses: Catholic Housing Aid Society, House Builders Federation (Rm 15,

10.30 am). FRIDAY
COMMONS — Debate 1980 Corporate Plan. motion to take note of the BL LORDS — Transport Bill,

Chelsea NEC, Birmingham

Kensington, W8 Exhibition Centre.

Brussels

Singapore

Monte Carlo

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are hased mainly on last year's timetable.

year's timetable.

English & Scottish Threstors, 2, St. Br.
Mary's Aug. EC, 2,80
hepworth Cetamic. Charing Cross
Hotel. WC, 12.00
hewit: (J.: (Fentons, Victoria Rd.,
Fenton, Stoke-on-Trent, 12.00
Horizon Travel. Birmingham Chamber
of Commerce, 75. Harborne Rd., Birmingham, 2.30
Joned (A. A.) & Shipman, Narborouge
Rd., South Leiceser, 2.15
Robinson (Thomas), Railway Works,
Robinson (Thomas), Railway Works,
12.00 COMPANY MEETINGS—
Automated Security, 25:25 Hampstead
High St., NW, 12:00
Bestwood, Empire, Nouse, St. Martins
LeGrand, EC. 12:00
Canning - (W.): Management Development Centre, 3. Broadway, Broad St.,
Birmingham, 3.00
Home Countles Newspapers, 75, Casile
St. Luton, Bedrowspire, 12:00
Matthews (Bernard, Maids Head
Hottel, Norwich, Noriolk, 12:00
Merchants Trust, 20, Feechurch St.,
EC. 11:45
Occan Transport and Trading, India EC 11.45
Ocean Transport and Trading, India
Suidings, Liveragol, 2.9
Tube Investments, Midland Hotel.
Bertningsam, 12.00
BOARD MEETINGS— Pinaku Rank of Ireland Finals:
British Home Stores
French Kier
King and Shayson
Macdonald Martin Distillerise cdonald Martin Distillers ile (M.) ire O'Ferrall rish Northera Ins. Tst. ions (Contractors) ung Companies Inv. Tst. joknson and Firth Brown
DIVIDEND & INTEREST PAYMENTS—
Armitage Bros.. 24.50 DIVIDEND & INTEREST PAYMENTS— Armitage Bros. 24.5p.
Armitage Bros. 24.5p.
Armitage Bros. 24.5p.
Armitage Bros. 24.5p.
Merrill Lynth 24ctt.
New Zealand 54pc. 78.82 2 kpc.
Robinsoo (Thomast 4p.
Scholes George H.) 5p.
Thurpe 1f. W.) 1p.
Treasury 91-pc. 1980- 4 kpc.
THURSDAY MAY 15
COMPANY MEETINGS—
APV. New Zealand House. Haymarket.
SW 12.00 Akroyd and Smithers Brazil Fund SA Dabiller
Rriev (E. J.)
Dividend & Interest Payments—
Aberdeen Tst. Red. Zpc
Aberdeen Tst. Red. Zpc
Bestwood 35
British Aluminium 8p
Bronx Engineering 1.58p
Dewhurst Dest 0.3p Eleco 19
Footpear Inds. Invests. 1.549
Lambert Howarth 2.910
Lex Service 4.29
Mitchell Cotts 0.656259
Montagu Boston Hrv. Tst. 1.05p
Pittard 2.625p
Second City Props. 0.61919
Sharna Ware 2.06916 30 Sibby (J.) Adelphi Hotel, Ranelagh arch Liverpool, 12.00 Carron, Falkirk, 12.00 Comben Group, Dragonara Hotel, Red-fle Way, Senstol, 12.30 Expanded Metal, 115. Pall Mail, SW, 130 12.30
Ibstock Johnsen, Hyde Park Hotel,
Keephtbridge, WC. 12.00
Legai & General 2.50
Legai & General 2.50
Municipal St. EC. 2.15,
Municipal Troperties. Gilbert House,
River Walk. Tonbridge, Kent, 11.30
Park Lare, W 12.30,
BOARD MEETINGS—
Finals: & Lacy, Stafford Park. 6
have, 11.45
have, 11.45
higham & District Inv Tst., Stratton
Piccadilly, W. 3.30
spiler letni., 8, King St., St., james.
'Hall,

Section 1. Finals: Barr and Waltace Arnold Trust Sulmer and Lumb Cit yof Oxford Inv. Tst. Coats Pajons
London and Lennox Inv. Tst.
Paris (J. T.)
Renciman (Walter)
Selmourt
UDS Group
Walner) (Matthew)

interioss

frown (Matthew)

forman (Matthew)

fo Agricultural Mort. Corp. 9 vac0b. 85
4 apc
Allean Harvey Ross. 4 pcPl. 1 4p
Alliance Inv. 6 pcPl. 2 apc
Alliance Inv. 6 pcPl. 2 apc
American Tst. Db. 3 spc
Ahglo African Heance 0.75p
Appleyard 2p
80C (stral, Db. 2's 3 spc
8arrlavs Bank Ln. 4 spc
8arrlavs Bank Ln. 5 spc
8arrlavs Bank Ln. 7 spc 2.00 Dorada. The Hotel Inter yde Park Corner, W. 12.00

British Assets Tw. Db. 2pc
British Emore Sect. Gen. Tst. 0.2p
British Inv. Tst. Db. 1-apc
British Inv. Tst. Db. 1-apc
British Inv. Tst. Db. 1-apc
British Sidar. Db. 2-apc
British Sidar. Db. 2-apc
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British Sidar. Db. 3-apc
British Sidar. Db. 3-apc
British Sidar. Db. 3-apc
British Tocked, 79-82 31-apc
Cardiff Tocked, 79-82 31-apc
Chase Manhattan Corp. 70cts
Coljate Palmolive 27cts
Coljate Palmolive 27cts
Coljate Palmolive 27cts
Colpate Palmolive 27cts
Corporation of London 13-apc
Colpate Palmolive 27cts
Corporation of London 13-apc
Croydon 6-apcRed 78-81 3-apc
Doundee Police 3-apcDo. 1-apc
Edinburgh American Assets Tst. Db. 21-pc
Esso Petroleum pb. 3pc
Fecty Puckering 1p
Forth Ports Authority 3-apc Funded Debt
Tabc
General Low Marchal Low Yer. Db. 2pc FORTH POTS AUTHORITY 3 APC PRINCE MOUNT 1 SPC
General Commercial Inv. 1st. Db. 2ac
Gastsow 31-pc 1rrd 1 aoc 91-apcRed 80,82
4 lapc, Da. Gas 6 apcAnn. 3 lapc. Db.
Waterworks Funded Debt 4 spc 2pc.
Waterworks Funded Debt 31-pc 1 lapc
Goodyear Tyre Rubber (GB) Db. 2 lapc
Goodyear Tyre Rubber (GB) Db. 2 lapc
Grant (James) East) Db. 31-pc
Hambros Inv. 1st 5pcPt. 1-75pc
Hambros Inv. 1st 5pcPt. 1-75pc
Hambros Inv. 1st 5pcPt. 1-75pc
Hambros Malaysian Ests. 2.5p
Home Countles Newspapers 4-5p Mamiya Angus Milling Db. 21ge
Marrisons Malaysian Ests. 2.59
Home Counties
Home Counties
Home Counties
Home Travet S.48 papers. 4.59
Home Counties
Home Travet S.48 papers. 4.59
Home Counties
Horizon Travet S.48 papers. 4.59
Home Jones Cap. Tst. Db. 25
Home Jones Cap. Tst. Db. 25
Homes Cap. Tst. Db. 25
Jones Ca. A.) Shipman S.20
Listinston 131 potenties
Leumi Intin. Inv. N.V Gtd. Fig. Rate
Notes 1925 US576.15
Liverbool 9 voc 30-84 4 spc
Leumi Intin. Inv. N.V Gtd. Fig. Rate
Notes 1925 US576.15
Liverbool 9 voc 30-84 4 spc
Leumi Intin. 1.956
Martanalr Intin. 1.956
Maldstone 5 voc 30-84 4 spc
Leudon Scottish Finance Corp. 8.525g
Lucas Inds. 2.6g
Maldstone 6 voc 30-84 4 spc
Leudon Scottish Finance Corp. 8.525g
Millia Allae 61 pcc. 72 275pc
Munitipal Props 6.59
Murrav Clederidae Inv. Tst. Db. 2 vpc
Nash (William) 61 pcc. 72 275pc
Munitipal Props 6.59
Murrav Clederidae Inv. Tst. Db. 2 (Perp.)
2 pcc
Mustan Homes Cap. 2 275pc
Munitipal Props 6.59
Scottish American Inv. Db. 175oc
Queen Moat Houses 0.575g
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at 1 vp. 11985 or a

tter Bros., The Hendon Hall, Hotel 1 St. NW 12.00. Finance, Great Eastern Hotel, spate EC, 12.30. uses (Arthur), Midland Hotel, Man-

tenriques (Arthur), Midland Hotel, Man-hester, 12.00.

Jacks (William), Pennyhill Park Hotel lasshot, 11.30,

Jondan (Thomas) 28-32. Frances Rd.-Hindsor, 12.00.

Leed Executive, Castle Hotel, High St.-Vindsor, 12.00. 12.00. Henryl, Sykes House 445 Wool-Charlton, SE 12.00. (Thumas), 21. Tothill St., SW. 12.00. BOARD MEETINGS— Walker (C, and W.)

Walker (C. and W.)
Walker (C. and W.)
Interlais:
Glesson i.M. J.) (Contractors)
DIVIDEND & INTEREST PAYMENTS—
A.P.V. 5.5p
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Banks (Sidney C.) 7.75p
Brakken Mines 20.56558p
Brammer (H.) 3.7p
Carron 2.55p
Combined Insurance America 35cts
Commercial Union Assur. 5.80p
Corb. 15.55p
Callaber Ln. 22.7452. Ln. £1.24921
Gresham ings. 111-cts
Kinross Mines 46.691659p
Lesile Golind Mines 16.11975p
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CORRECTION

Please note that in the full page announcement on behalf of URUGUAY, published in the issue of Wednesday, April 30, under 'Commercial Trade with the UK' and 'Uruguay-UK: Main Items of Trade,' the text should read: (thousand £ sterling), not (thousand U.S. Dollars).

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DOING BUSINESS IN SOUTH-EAST ASIA

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o further participants' knowledge of South-East Asia's socio-economic conditions in order to understand the business context to enable participants to assess the relative risks involved in investing in the vanous risks involved in invi-countries of the region

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explore the opportunities which exist for their
companies in the region

Executives who are already operating or who
will shortly be operating in South East Asia
and wish to enhance their understanding of/
and communication with their local colleagues

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PLACE —INSEAD, Fontainebless, France WORKING LANGUAGE -English

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Folk Live International
Field Live International
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BUSINESS AND MANAGEMENT CONFERENCES

Current University of Bradford Management: Innovation and Market Success (Bradford 491773) (until May 16) :. May 12—16 Kepner Tregoe: Decision Making For Senior King's Head Hotel,
Management (0622 38083) Lough
May 12—13 CEI: International Marketing Seminar
May 14—15 Crown Eagle Communications: Investing in U.S. Carlton Tower, SW1 Loughborough Crown Eagle Communications: Investing in U.S.
Real Estate (01-636 0617)

CCC: Charges, Receiverships and Liquidation (01-222 6362)

Gyez—IBC: East-West Trade 1980 (01-242 2481)

Conversity of Bradford Management: Export Heaton Mount, Bradford Marketing (Bradford 42299)

Robert S. First: Hospital Supplies in Europe Brussels

International Advertising Association: 27th World Congress (01-821 0509)

Cyez: IBC. Coutrol in Computerised Accounting Systems (01-242 2481)

RAI Gebouw B.V.: Second European Petroleum and Gas Conference

SMMT: EEC—Friend or Foe? (01-235 7000)

Robert Daum and Associates: Understanding and Doral Country Club, Florida May 15 May 18—23 May 19—20 May 19 May 20—21 May 20-23 May 21—23 Robert Daum and Associates: Understanding and Doral Count Underwriting the U.S. Market Wales International Management Centre: Effective Basingstoke Doral Country Club, Florida May 23 Strategic Planning (0222 21666 Scotwork: Managing Negotiations (041 204 2186) Reinforplast: 1980 Symposium May 27-30 Hampshire Calus: The Taxation Implications of Development May 28 (0734-8611011

THE IMPERIAL COLD STORAGE AND SUPPLY COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

PROFIT STATEMENT AND DIVIDEND ANNOUNCEMENTS

The audited results of the group for the year ended 29th February 1980 were as follows: 1979 (R000) (R000) 501 100 587 950 19 238 Group profit before taxation 23 795 8 598 7752 Group profit after taxation TI 486 15 197 Minorities 2 055 1 322 Preference dividends 55 55 Profit attributable to ordinary shareholders 10 109 13 087 Number of ordinary shares in 23 654 400 Earnings per ordinary share Dividend per ordinary share 16c 14.5¢

Final Dividend No. 90 on Ordinary Shares

Notice is hereby given that a final dividend of 12 cents per share (1979-11c) has been declared on the company's ordinary shares, payable to shareholders registered in the books of the Company at the close of business on 13th June 1980. Together with the interim dividend of 4 cents per share paid on 14th December 1979 this makes a total dividend of 16 cents per share for the year ended 29th February 1980 (1979—14.5c).

The dividend is declared in the currency of the Republic of South Africa and becomes due on 14th June, 1980. Dividends payable from the office of the Company's London Transfer Secretaries will be paid in United Kingdom currency at the rate of exchange ruling on 14th June 1980. ...

Dividend warrants will be posted on or about 11th July 1980. The effective rate of non-resident shareholders' tax where applicable is 13.575 per cent. The ordinary share registers of the company will be closed from 14th June 1980 to 27th June 1980, both dates inclusive.

Interim Dividend No. 82 on Preference Shares Notice is hereby given that-an interim dividend-of two and three-quarter per cent has been declared on the company's

preference shares, payable to shareholders registered in the books of the company at the close of business on 6th June 1980.

The dividend is declared in the currency of the Republic of South Africa and becomes due on 7th June 1980. Dividends payable from the office of the company's London Transfer Secretaries will be paid in United Kingdom currency at the rate of exchange ruling on 7th June 1980.

Dividend warrants will be posted on or about 30th June
0. The effective rate of non-resident shareholders tax where applicable is 13.575 per cent. The preference share registers of the company will be closed from 7th June 1980 to 20th June 1980, both dates

> By order of the Board J. P. Enslin Secretary. Office of the U.K.

Registered Address: Transfer Secretaries: 171 Jacob Mare Street Charter Consolidated Services Limited Charter House, Park Street 7th May 1980 -. -Ashford, Kent TN24 8EQ To the Holders of

Itel Finance International N.V.

93/4 % Guaranteed Debentures Due 1988

As of the close of business on June 22, 1979, J. Henry Schroder Bank & Trust Company (the "Trustee") was appointed Successor Indenture Trustee under the Indenture dated as of April 1, 1978 (the "Indenture") with Itel Finance International N.V. (the "Company") and Itel Corporation (the "Guarantor"). This Notice is published by the Trustee to inform Holders of said 93,4% Guaranteed Debentures due 1988 of certain recent developments.

Under Section 301 of the Indenture it is provided that the Debentures issued thereunder shall bear interest from their date at the rate of 934% payable annually on April 1 in each year. The Company failed to make the payment due on April 1, 1980 and, accordingly, there was a default in the payment of interest. Under Section 501 of the Indonture, a default in the paydefault in the payment of interest. Under Section 501 of the Indenture, a default in the payment of interest upon the Debentures when such interest becomes due and payable becomes an "Event of Default" when such default continues for a period of thirty (30) days. More than thirty (30) days having elapsed since the default in the payment of interest on April 1, 1980, this failure has become an "Event of Default". Section 502 of the Indenture provides that if an Event of Default occurs and is continuing either "the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debentures may declare the principal of all the Debentures to be due and payable immediately, by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders) and upon such declaration such minipal shall become immediately due and payable." principal shall become immediately due and payable." Section 512 of the Indenture states as follows:

The Holders of a majority in principal amount of the Outstanding Debentures shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee,

(1) such direction shall not be in conflict with any rule of law or with this Indenture, (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee need not take any action which it determines might be unjustly prejudicial to the Holders of Debentures and coupons not joining in the giving of such

Section 601(c)(3) and (4) provides that: (3) the Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority

in principal amount of the Outstanding Debentures relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and (4) no provision of this Indenture shall require the Trustee to expend or risk its own

funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repsyment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Debentureholders are referred to the Indenture for a more complete description of the rights of Debentureholders and their remedies subsequent to an occurrence of an Event of Default. Copies of the Indenture are available for examination at the Corporate Trust Office of the Indenture Trustee during normal business hours. The Debentureholders are further referred to the most recent "Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934", Form 10K, "the Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934", Form 10Q, and the "Current Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934", Form 8K, prepared by Itel Corporation and on file with the Securities and Exchange Commission in Washington, D.C. for financial and

other information on Itel Corporation, the Guarantor of the Debentures referred to herein. On the basis of information currently available to it, the Trustee does not intend, at this time, to declare the principal of all the Debentures to become due and payable immediately, However, the Trustee is continuing to review information concerning the Company's and the Guarantor's current circumstances including information regarding their financial condition and the relative rights of creditors, so that it may determine whether it will, pursuant to Section 502 of the Indenture, declare the principal of all the Debentures to be due and payable immediately. The Trustee may consider other possible action pursuant to the provisions of

the Indenture, This Notice is being published pursuant to and in accordance with the requirements of Section 602 of the Indenture and a copy thereof is being sent to each securities exchange on which the Company has advised the Trustee that the Debentures are listed.

Inquiries concerning the matters contained here in should be directed to Mr. George R. Sievers, First Vice President, J. Henry Schroder Bank & Trust Company, One State Street, New York, New York 10015, (212) 269-6500. or Joseph Chervin, Esq., c/o Messrs, Surrey & Morse, 485 Madison Avenue, New York, New York 10022, (212) 935-7700, counsel to the Trustee. J. HENRY SCHRODER BANK & TRUST COMPANY, 22

Successor Indenture Trustee

IEHCA: - Developing Efficient Cargo Handling Systems for International and Intra-Regional

Financial Times Conferences

WORLD BANKING CONFERENCE

Singapore, June 2 and 3, 1980

May 29-30-....

The Chairmen at this important annual event will be Mr. Michael McWilliam, Deputy Group Managing Director, Standard Chartered Bank Limited, London and Mr. Jose B. Fernandez Jr., Chairman of the Board, Far East Bank and Trust Company, Manila. Mr. S. Dhanabalan, Singapore Minister of State for Foreign Affairs will be the opening speaker bringing to bear on the subject matter his current foreign affairs responsibilities and his earlier experience as a banker.

THE EUROPEAN OFFSHORE IN THE 1980'S CONFERENCE

The importance of North Sea oil in the world energy context will be reviewed at this conference in a paper by Professor Edith Penrose, Institut European d'Administration des Affaires (INSEAD). Mr. Odd Vattedar, Conservative Spokesman on Oil and Energy, Norway will be speaking on "The Norwegian Government and the Development of the Oil in its Northern Waters."

All inquiries should be addressed to: reigi Firnes Limited Conference Organisation Minster House, Arthur Street London EC4R 9AX Tel: 01-621 1355 Telex: 27347 FTCONF G Cables: FINCONF LONDON

HOME FARM PRODUCTS LIMITED

(Incorporated in England under the Companies Act 1929. No. 265078)

These particulars are issued in connection with a placing

CAPEL-CURE MYERS LIMITED

of 1,200,000 Ordinary shares of 10p each at 55p per share.

SHARE CAPITAL.

Anthorised

Issued and Fully Paid

£600,000 in 6,000,000 Ordinary shares of 10p each.

At the close of business on 25th April, 1980, the Company, and the subsidiaries hereinafter referred to, had no outstanding borrowings and apart from inter-company indebtedness neither the Company nor any of such subsidiaries had outstanding as at 25th April, 1980, any loan capital or any loan capital created but unissued, mortgages, charges or other indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or guarantees or material contingent liabilities.

IOHN MICKLETHWAITE (Chairman and Joint Managing Director), 256 Sheffield Road, Tinsley, Sheffield, S9 1RD. WALTER HALL (Joint Managing Director), 256 Sheffield Road, Tinsley, Sheffield, S9 1RD. THOMAS HENRY STANIFORTH, M.A. (Non-Executive),

58/64 Campo Lane, Sheffield, S1 1FW. GERARD LAWRENCE STORR, B.Sc. (Non-Executive) 256 Sheffield Road, Tinsley, Sheffield, S9 1RD.

SECRETARY AND REGISTERED OFFICE: ANTHONY NOEL VILLAGE, M.A. (Cantab.), A.C.A., 256 Sheffield Road, Tinsley, Sheffield, S9 1RD.

NATIONAL WESTMINSTER BANK LIMITED, P.O. Box 56, 16 George Street, Sheffield, S1 1NT.

CAPEL-CURE MYERS LIMITED, Bath House, Holborn Viaduct, London, EC1A 2EU

SOLICITORS TO THE COMPANY: KERSHAW, TUDOR & CO., 58/64 Campo Lane, Sheffield, S1 1FW. SOLICITORS TO THE PLACING: TRAVERS SMITH, BRAITHWAITE & CO., 6 Snow Hill, London, ECIA 2AL

AUDITORS AND JOINT REPORTING ACCOUNTANTS: BROOKS & HANBIDGE (Chartered Accountants), 27 Wilkinson Street, Sheffield, S10 2GD.

JOINT REPORTING ACCOUNTANTS: THORNTON BAKER (Chartered Accountants) Fairfax House, Pulwood Place, London, WC1V 6DW. and at Sheffield.

REGISTRARS AND TRANSFER OFFICE: NATIONAL WESTMINSTER BANK LIMITED, P.O. Box 82, 37 Broad Street, Bristol, BS99 7NH.

LETTER FROM THE CHAIRMAN.

The following is a copy of a letter to Capel-Cure Myers Limited from Mr. John Micklethwaite, Chairman of the Company.

The Directors, Capel-Cure Myers Limited, Bath House, Holborn Viaduct.

256 Sheffield Road, Tinsley, Sheffield, S9 1RD.

London, EC1A 2EU.

9th May, 1980.

In connection with the placing of 1,200,000 Ordinary shares of 10p each in Home Farm Products Limited ("the Company"), I am writing to provide you with information regarding the background, development and present activities of the Company and its subsidiaries ("the Group").

The Group has its origins in the pork butchery business founded by my late father, Mr. George Micklethwaite in 1928. The Company was incorporated in 1932 to acquire his business which at that time consisted of a pork butcher's shop and factory situated at Tinsley, Sheffield. In 1933 a second shop was opened and over the years the number of similar shops operated by the Company in the Sheffield area increased to nine. The pigs which were used to supply the shops were slaughtered at the Tinsley premises until 1932 when this activity was transferred to the newly opened Sheffield Corporation abattoir. A range of pork products such as sausages, pies and bacon was produced at Tinsley for sale in the Company's shops.

I joined the Company in 1949 at the age of nineteen and increasingly assumed managerial responsibilities for the business which continued in the retail pork trade and the

manufacture of pork products at Tinsley.

In 1967 Walter Hall, who had considerable experience of the bacon trade, particularly marketing, joined the Company and the decision was taken to broaden its trading base by supplying pork and bacon wholesale as well as to its own shops.

In 1968 a major step in expanding our activities was taken with the purchase of the freehold of a slaughterhouse at Todwick, Yorkshire by Walter Hall and myself and we granted a lease to a new company, Todwick Pork & Bacon Co. Limited ("T.P.B.") formed in January 1969 and which commenced trading in August of that year. Initially, T.P.B. processed some 50 pigs a week as the business prospered production facilities were gradually extended and improved. By May 1978 a new slaughterline and related facilities had increased the capacity there to approximately 2,000 pigs a week and in recent months T.P.B. has been operating at around 90% of that capacity.

Todwick Cooked Meats Limited ("Cooked Meats") was formed in 1973, and now

produces sausage and like products from a new factory at Todwick equipped to the latest standards. Yorkshire Freezer Meats Limited ("Freezer Meats") was incorporated in 1976 and operates a cash and carry freezer centre which has been developed from the original Tinsley premises. In July 1979 the purchase of premises at Worksop, Notis, enabled the Group to start supplying vacuum packs of primal bacon cuts.

The most important recent event was the purchase, in April 1978, of additional slaughtering facilities at Gainsborough, Lincs. where trading started under the name of Gainsborough Pork and Bacon Company Limited ("Gainsborough") in December 1978.

On 7th May, 1980 the Company acquired the whole of the issued share capitals of T.P.B., Cooked Meats, Freezer Meats and Gainsborough on a share exchange basis.

The Group's chief activity is the purchase of live pigs and the processing of them into sides of bacon or primal cuts of pork. Sausage, bacon rashers and pork based foodstuffs are also produced and packed and the Group has recently undertaken the vacuum packing of bacon joints. These products are sold to wholesalers, retailers and caterers and the Group also sells a wide range of frozen food and other products to the public through the freezer centre

T.P.B. is the main contributor to the Group's sales and profits and its successful development has been the major factor in the Group's expansion to date. Live pigs are acquired at the point they leave the producer's delivery vehicle and, after slaughtering, the carcasses are chilled overnight for butchering the following day. Depending on the level of demand for pork or bacon the sides are then cut into fresh pork or cured as bacon. In the last two financial years over two-thirds of the pigs processed have been cured as bacon. Pork and bacon produced by T.P.B. is distributed and sold under the trade name "Yorkshire Pork

The Group's latest development is the vacuum packing of primal cuts of bacon and for this purpose a newly erected freehold factory has been purchased at Worksop and production commenced in the autumn of 1979. This factory is also taking on certain of the activities of Cooked Meats thus releasing additional space for the production of sausage at Todwick.

The facilities installed by us at Gainsborough are capable of handling 900 pigs a week. The output from Gainsborough is sold as pork and it is not proposed to cure bacon there. The success of this Company from the start was such that the decision has been taken to treble its capacity. Work is currently in hand to erect additional slaughtering equipment, chilling rooms and ancillary facilities which it is estimated will cost in the region of £300,000, before taking into account any development grants which may be receivable and will be funded from the Group's existing resources. It is anticipated that the new plant will come on stream in July this year giving Gainsborough a capacity of approximately 3,000 pigs a week. Together with the existing plant at Todwick the Group will then have the potential to handle around 5,000 pigs

It is not envisaged that the E.E.C. Pigmeat Regime which has applied since 1973 to the business carried on by the Group will materially affect its future trading.

The Group continues to operate four butcher's shops, three of which are in Sheffield and one in Barnsley. The shops offer a comprehensive range of beef, lamb, pork and pork products. Although it is not the intention to expand the number of butcher's shops, they contribute to Group profits and are also valuable in that they provide a useful insight into

changes in public demand for meats and related products. We have always been aware of the necessity for maintaining high levels of hygiene in the food processing industry and the Group has its own laboratory at Todwick which is staffed by two qualified technicians. Their duties include carrying out regular and random checks on all aspects of the Group's products and production facilities and analysing specimens to ensure that the correct standards of hygiene and quality are observed at all the Group's premises. In addition the Group retains the part time services of a doctor to report on the health of new employees and keep a check on the health of all those working for the Group. It has always been our policy to encourage customers and suppliers to visit our premises.

The policy of T.P.B. is not to buy pigs on the open market but to obtain them from a limited number of large scale pig producers. The majority of pigs are purchased under the "contract" system, whereby the producers agree to supply a certain number of pigs of a specified quality for a twelve month period and the Group undertakes to purchase all those pigs which reach the required standard. This is a mutually satisfactory arrangement in that the producer'is guaranteed a market for his pigs and the Group is assured of pigs of the correct quality. The ability to supply customers with products of a consistently high quality plays an important part in the development of the Group. Our main source of pigs is East Yorkshire which is recognised as being one of the best pig producing areas in the country. It is not our

policy to breed our own pigs.

The type of pig purchased by the Group can be processed to produce either pork or bacon. This is advantageous in that output at Todwick can be adapted promptly to match changes in buying patterns and seasonal influences. At present pigs processed at Gainsborough are acquired from farmers or through pig procurement agencies although it is the intention to introduce the contract system there.

In addition to the nationally accepted grading system upon which pig prices are based, T.P.B. has introduced a "Premium Grade" for pigs with a low level of fat for which a higher price per kilogram is paid. The premium grade pig which comprises approximately four-fifths

The Group's total sales for the year ended 2nd June; 1979 amounted to £7.6 million all in the U.K. Sales over the past two financial years and for the twenty six weeks ended 1st December, 1979, which reflect the increase in pork output due to the build up of production at Gainsborough, show the following breakdown:-

			Year ended 3rd Jane, 1978	Year ended 2nd June, 1979	26 weeks ended 1st December, 1979
			7	*	%
Bacon			51.5	E.64	43.4
Pork			20,1	23.1	32.5
Sausage and cooked meets			10.8	9.1	8.3
Other products		٠.	4.8	5.0	5.0
Batchery shops	•		. 7.8	7.7	6.4
Freezer Centra			5.2	5.2	4.4
			108.8	100.0	-108.8

The Group's customers are principally retailers and members of the public who take approximately 45% of production and wholesalers who purchase a similar proportion with the balance being accounted for by large scale caterers such as factory canteens. In the year ended 2nd June, 1979, the Group's ten largest customers accounted for some 41% of total sales. Approximately one fifth of total sales was supplied to a major UK retail chain with branches throughout the country. However, with the developments envisaged within the Group it is anticipated that the spread of customers will be broadened.

Management and Staff

I am 49 years of age and am Joint Managing Director as well as Chairman of the Company. I assume overall responsibility for administering the day to day business of the Group and am also responsible for financial control and strategy. I have a five year service

contract with the Company, details of which are given below, (Contract No. (VI) (a)).

Walter Hall is 44 years old and joined the Company in 1967 having previously managed the Northern Office of a subsidiary of the Danish Bacon Company Limited. His prime responsibilities are the Group's purchasing and marketing policies. He also sits on two trade association committees which gives us a broad view of the industry in which we are involved. He has a four year service contract with the Company which is detailed below, (Contract No.

Tom Staniforth, aged 56, was appointed to the Board on 1st May, 1980 as a non-executive director. He is a partner of Kershaw, Tudor & Co., Solicitors, who have acted for the Group for some thirty years and is conversant with our business.

Gerard Storr, aged 40, was also appointed to the Board as a non-executive director on 1st May, 1980. Until December, 1978 he was a director of Feedex Agricultural Industries Limited, a listed Company. He runs a large pig breeding unit in North Humberside and his whole working life has been concerned with pig production. He has no trading relationship with the Group.

Other key members of the management team include Joseph Foster, aged 35, who is sales assistant to Walter Hall; John Hind, who is 45 years old and joined the Group in 1969 and was responsible for establishing the bacon factory at Todwick which he currently manages; John Morris, aged 35, who is general manager of Gainsborough; Rodney Thomas, aged 33 who is general manager of Cooked Meats and John Walch, aged 36, who manages Worksop. All the above attend monthly management meetings at which the affairs of the Group are

The total number of employees of the Group is approximately 210.

Property and Premises

Factory, offices and load - Manor Facts, Todwick

The Group's premises had an overall book value of £358,000 as at 1st December, 1979. As certain premises have only recently been acquired, the Board does not consider that the expense of a revaluation can be justified. However, the Board is confident that the Group's properties, as at present used, are worth not less than their book value and details of the principal properties are set out below:-

Tentre

Occupied by

on site of 1.87 acres	·	from 1st May, 1980, from J. Micklethweite & W. Hall. Corrent general reat of SA,650 subject to review at five yearly intervals.	T.P.B., The Company and Cooked Meats
The Long Bare 0.08 acres	Megar Ferm, Todwick	Freehold	
Gainsborough Significationse 0.60 acres	1 Limetree Avenue, Geinsborough	Freekold	Gelimborough
Worksop Packaging Factory 0.39 acres	tiait 3. Cleylands Close, Dekaries ladustriai Estato, Workson	Freshold	T.P.B. Worksop packaging divisio

256-260 Sheffield-Road

from 1st May, 1904. uel Rent £10.50 ld for 200 years

The Company also operates four butchers' shops from short lossehold provides with a current assual restal totalling £16,150. The shortest of these leases expires in 1986 and there is no further review. The leases of two shops expire in 1991 both with reviews in 1982 and 1987 and the remain

The Directors are of the opinion that, taking into account bank facilities available to it, the Group has sufficient working capital for its present requirements.

Profits, Profit Forecast and Dividends

The turnover and profits of the Group for the last five financial periods ended 2nd June, 1979 and for the 26 weeks ended 1st December, 1979 are set out in the Accountants' Report below. Turnover and profit has increased in each of the five years save for 1978, were affected by adverse market conditions and the expansion programme at Todwick. The Directors attribute the Group's success to the personal service and premium

products it supplies, coupled with operational efficiency. They expect to be able to continue this tradition and future prospects are enhanced by the new capacity recently acquired at both Gainsborough and Worksop. In the absence of unforeseen circumstances, the Directors forecast that the profit before

taxation for the year ending 31st May, 1980 should be not less than £700,000. The assumption upon which this profit forecast is based is set out below together with letters supporting the calculations, policies and the assumption.

On the basis of the Directors' forecast of profits for the year ending 31st May, 1980 it is intended to recommend for payment in or around December, 1980 a dividend of 1.75p net per share (which together with the related tax credit of 30% is equivalent to 2.5p per share). This will be the first dividend payable by the Company after its admission to the Official List, and waivers in respect thereof (in excess of 0.1p per share) affecting approximately 65% of the issued capital have been received. In the forthcoming Report and Accounts for the year ended 31st May, 1980 some £600,000 of the forecast profit will be shown as pre-acquisition profits not available for distribution.

In respect of a full year in which a similar level of profit was earned the Directors would expect to recommend dividends totalling 2.9p net per share (4.14p with related tax credit of 30%). It is intended in future years to pay an interim dividend in or about June and a final dividend in or about December.

The following table sets out, by way of illustration only, how a profit before taxation of £700,000 would be appropriated assuming Corporation Tax at the rate of 52% and no dividend

Profit before taxation 700,000 Less: Taxation Profit after taxation Less: Ordinary dividend of 2.9p per share Retained Profit Dividend cover

On the above basis the gross dividend yield on the Ordinary shares at the placing price of 55p per share would be 7.5% and the price/earnings multiple would, on a 52% tax charge

Yours faithfully, JOHN MICKLETHWAITE Chairman

ACCOUNTANTS REPORT

The following is a copy of the report of Brooks & Hanbidge, Chartered Accountants, auditors of the Company and Joint Reporting Accountants, and of Thornton Baker, Chartered Accountants, Joint Reporting Accountants, to the Directors of the Company and of Capel-Cure Myres Limited. Sheffield S10 2GD

The Directors, HOME FARM PRODUCTS LIMITED,

9th May, 1980

The Directors, CAPEL-CURE MYERS LIMITED,

On 7th May, 1980 Home Farm Products Limited ("the Company") acquired the whole of the issued share capitals of the following companies ("the subsidiaries"):

Todwick Pork & Bacon Co. Limited ("T.P.B.")

Todwick Cooked Meats Limited ("Cooked Meats")
Gainsborough Pork and Bacon Company Limited ("Gainsborough")
Yorkshire Freezer Meats Limited ("Freezer Meats").

The Company and the subsidiaries are hereinofter referred to as "the Group." We have examined the audited accounts of the Company and each of the subsidiaries for the periods relevant to this report. Brooks & Hanbidge or its predecessor firm have been auditors of the Company and all the subsidiaries for the periods relevant to this report.

The summaries of profit and loss accounts, source and application of funds statements and pro format balance speets set out below are based upon the audited accounting adjusted in the cases of Cooked Meass, Gainsborooch and Freezer Meats to reflect an accounting period ended on the Saturday dearest to 31st May in each year, and after making such further adjustments as we consider appropriate,

In our opinion these summaries together with the notes thereon give a true and fair view of:

(i) The profits and source and application of funds of the Group under the historical cost convention for the five accounting periods ended 2nd June, 1979 and the twenty six weeks ended 1st December, 1979; and

the state of affairs of the Company, and the Group, on a proform basis, at 1st December, 1979, also under the historical cost convention. In our opinion the summary of the Current Cost Profit of the Group for the twenty six weeks ended ist December, 1979 has been properly prepared in accordance with the principles of Statement of Statem

No audited accounts of the Company or any of the subsidiaries have been made up in respect of any period subsequent to 1st December, 1979.

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1	Accounting convention.		- :				•
	The accounts have been no	mared under th	a bioconioni co	t communicai .			

Turnover Turnover represents the net amounts involced for sales excluding value added tax and transactions

between Group companies. Depreciation Depreciation is provided to write off the cost of fixed assets, after deducting any grants receivable rover the estimated useful lives as follows:—

Freehold land and buildings Shop fittings and short leasehold property Equal amounts over unexpired term of the lease. Between 10% and 50% per annum straight line. Fixtures and fittings

15% per annum straight line. 25% per annum straight line. A full year's depreciation is charged on all assets in use at the end of the accounting period irrespective of

In the opinion of the Directors the amount of depreciation of freehold and long lens required under Statement of Standard Accounting Practice No. 12 is not material to the results. Deferred taxation is provided at current rates on increases in value of stocks and work in progress and on

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. In the case of work in progress cost includes related production overheads.

Basis of Combination

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For the purpose of this report, the accounts of the Company and the subsidiaries have been combined on the assumption that all the above named companies have been members of the Group for all the periods relevant to this report, to show, for the relevant periods and dates, the results and financial position of the businesses now carried on by the Group.

The accounts of Cooked Meats. Gainsborough and Freezer Meats have in the past been made up to the The accounts of Cooked Meats. Gainstorough and Freezer Meats have in the past been made up to the Saturday nearest to 30th June in each year, and we have made such adjustments as we consider appropriate to restate the profit and loss accounts and statements of source and application of funds on the basis of accounting periods ended on the Saturday nearest to 31st May in each year. Accounts for the Company and all the subsidiaries have been prepared for the periods ended 1st. December, 1979, and it is intended that Group accounts will be made that the Saturday nearest to 31st May in each periods. made up to the Saturday nearest to 31st May in each year,

. The Group and the Company pro forma balance sheets at 1st December, 1979 are based upon the audited unts at that date combined on the basis set out above and adjusted for the changes in share capital set out in note 7 below.

Profit and Loss Accounts

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	· .	31st May 1975		28th May 1977	3rd Jane 1878	2nd June 1979	Half Year ended 1st December 1878
Turnover	s	£'000 2,782 2,679	£'000 3,908 3,747	£'000 4,680 4,581	£'000 5,887 5,808	£'000 7,619 7,229	£'000 5,150 4,758
Profit before Taxation		103 51	. 181 88	279 142	259 138	380 206	394 .206
Profit efter Texation Dividends		52 —	75	137	121	185	188
Profit retained		52	75 	137	121	185	188
Earnings per share		1.1p	1.6	3.0p	2.6p	4.Qp	4.1p

The Group

The Company

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	31st May 1875			<i>3rd June</i> 1978	<i>2nd Jana</i> 1979	1st December
	. £'000	£'000	€'000	£,000	2,000	£'000
Sources of Facilis Profit betwee texaction (see Note 2)	B6	: 183	224	208	312	394
Ceptaciation .	34 1	58 - 1		87 (5)	108	65 1
Total Synerated by Operations.	121	187	286	. 288	421	460
Sale of fixed essets	- 14	. 3	23	. 8	. 2	5
Total Sources of Funds	135	180	209	297	` 423	485
Application of Fands Purchase of fixed assets	(175) (13)			(208) (23)		
Increase/(decrease) in Working Capital	(53)	47	200	68	183	93
lacreese to stock and work in prepress. Accreese/(decreese)/ in dishtors (lacreese/decreese in creditors Increese/(decreese) in pet liquid funds	44 58 [7] . (148)	(1)		30 (50) 88		
	. (53)	47	200	- 88	163	83

1. Operating costs include:	Accounting Periods anded	Half Year
	31st Mey 31st May 28th May 3rd June 2pd June 1576 1878 1977 1978 1979	ended 1st December 1979
Depreciation Directors amoluments — The Company — Subsidiaries	\$*000 \$*000 \$*000 \$*000 \$*000 \$4: 53 81 87 109 20 20 20 20 20 22 10 12 13	£'000 ` 65 17
Bank laterest	3 4 2 - 2 (4) (3) (15) (7) (18)	(11)

2. The amount charged in arriving at the profits before taxation shown above in respect of the period cuded 2nd lune, 1979 for Directors emoluments amounted to £35.516. In addition to this, bonuses totalling £73,000 were paid to Mr. J. Micklethwalte, Mr. W. Hall and their wives, which will not be payable under the arrangements in force with effect from 3rd June, 1979. Under the new arrangements Mr. J. Micklethwaite and Mr. W. Hall will receive basic salaries; which for the year ending 31st May, 1980 will amount to £30.000 in argregate. In addition they will be entitled to share in an annual bonus of 5% of the consolidated profits before taxation in excess of £700,000 which is divisible between all the Directors. In view of these new arrangements we have made an adjustment to climinate the bonuses paid to these Directors in each of the periods up to and including the period ended 2nd June, 1979. The effect of these adjustments can be shown as follows:--

Period and of	Profit before taxation	Bonuses	Profit before boneses and texation
31st May, 1975 31st May, 1978 28th May, 1977 3rd Jace, 1978 2nd Jace, 1979	£'000 88 133 224 288 312	\$'000 17 28 55 53 78	£'090 193 181 279 259 390

• • • •				• •	
3.	Te	ation	сриз	e comp	isos:

U.K. Cerporeti

Water Carper Care

non comise comi	risos —	 , i.		lecomiting	Periods a	nded .		_
		31st May 1875			<i>3rd Jane</i> 1878	2nd Juna	alf Year ended 1st December 1979	•
log text		 £'000 21 30	£308 28 66	\$'000 114 28	£'000 · 107 · 31	£'000 147 58	53	١.
estro		 61	86	142	138	205	208	
			┯		===		_ ===	•

4.601,760 shares in issue.

Fried assets at 1st December, 1979, comprise	######################################	Accumulated Depreciation 57000 — — 79 238 10 85	Ret Sook Value £'000 188 13 157 364 .13
	1,217	412	805
			=

Stock and work in progress at 1st December, 1979 comprised:-

Work in progress

.88 .380

At 1st December, 1979 the authorised and issued share capital of the Company was 28,600 shares of οι 7th May, 1980:—

each of the existing 28,600 authorised and issued shares of £1 in the capital of the Company was converted and subdivided into 10 Ordinary shares of 10p each; (a) with a view to the acquisition of the whole of the issued share capitals of T.P.B., Cooked Meats, Freezer Meats and Gainsborough the authorised share capital of the Company was increased to £230,088 by the creation of 2,014,880 new Ordinary shares of 10p each;

the said 2.014.880 new Ordinary shares were allotted and issued credited as fully paid in considera-tion of the above mentioned acquisition. On 9th May, 1980:-

the authorised share capital of the Company was further increased to £600,000 by the creation of 3,699,120 new Ordinary shares of 10p each;

a capitalisation issue of 2,300,880 new Ordinary shares of 10p each was made to members.

The issued share capital thus became \$460,176 made up of 4,601,760 Ordinary shares of 10p each. Reserves

	Retained profitsShare premium	272 57
•		329
	e amount of deferred taxation provided under the liability method at ther, 1979 is as follows:—	52% by the G
	Excess of capital allowances over depreciation	£'000 274 111
	. ·	385

Capital commitments at 1st December, 1979 were as follows: ---

Authorised but not contracted for inow contracted for

11. At 1st December, 1979 the Group had no material contingent liabilities.

Profit and Loss Account -- Current Cost

The following current cost profit and loss account for the twenty six weeks ended 1st December, 1979 incorporates the figures shown in the historic cost profit and loss account, combined on the basis set out above, adjusted in accordance with the principles set out in Statement of Standard Accountancy

The depreciation adjustment is calculated by applying to the historic costs of fixed assets the appropriate Central Statistical Office indices and depreciating the calculated current costs at normal rates of depreciation. No depreciation has been charged on freehold and long leasehold

The monetary working capital adjustment is calculated by applying the appropriate Central Statistical Office indices to the opening and closing monetary assets and liabilities:

The gearing adjustment represents a proportion of the depreciation and monetary working capital adjustments added back to the current cost profit appropriate to assets financed by net monetary liabilities. The nature of the Group's business is such that virtually all stocks are sold within a few days of

purchase and consequently no adjustment to cost of sales is appropriate. Helf Year anded mber. 1879 2'000 Historical cost trading profit before leterest...
Less: Current cost operating adjustments......
Monetary Working Capital · 15 Correst cost operating profit 368 385 179 Current cost profit retailess

BROOKS & HANBIDGE,

Yours faithfully,

THORNTON BAKER Chartered Accountants

INFORMATION RELATING TO PROFIT FORECAST

The forecast of profit before taxation for the 52 weeks ending 31st May, 1980 of not less than £700,000 referred to in the Chairman's Letter includes results shown by audited interim accounts for the 26 weeks ended 1st December, 1979 and by unandited management figures for the period ended 29th March, 1980 and is made on the principal assumption that there will be no material disruption of the Group's business due to industrial disputes, political disturbances, changes in the pattern of demand or other factors outside its control.

LETTERS RELATING TO THE PROFIT FORECAST

(a) The following is 2 copy of a letter from Brooks & Hanbidge, Chartered Accountants, and Thornton Baker. Chartered Accountants, relating to the forecast of consolidated profit of the Group for the 52 weeks

The Directors,

HOME FARM PRODUCTS LIMITED 9th May, 1980

We have reviewed the accounting policies and calculations for the profit forecast (for which you are solely responsible) of Home Farm Products Limited and its subsidiaries ("the Group") for the \$2 weeks ending 31st May, 1980 set out in the particulars dated 9th May, 1980. The forecast includes results shown by audited accounts for the 26 weeks ended 1st December, 1979 and unaudited management figures for the period ended 29th March, 1980. In our opinion the forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumption made by you set out in the said particulars and is presented on a basis consistent with the accounting policies normally adopted by the Group.

BROOKS & HANBIDGE, Yours faithfully Chartered Accountants, (b) The following is a copy of a letter from Capel-Care Myers Limited relating to the forecast of bidated profit of the Group for the 52 weeks ending 31st May, 1980.

9th May, 1980

The Directors HOME FARM PRODUCTS LIMITED

We refer to the forecast of profit of your Company and its subsidiaries for the 52 weeks ending 31st May, 1980 contained in the particulars dated 9th May, 1980.

We have discussed with officers of your Company the policies and assumption on which the profit forecast was made. We have also considered the letter dated 9th May, 1980 from Brooks & Hanbidge and Thornton Baker regarding the accounting policies and calculations underlying the profit forecast.

On the basis of the above, we consider that the profit forecast (for which you are solely responsible), has been made by you with due care and attention.

Yours faithfully. for Capel-Cure Myors Limited R. A. M. LEDERMAN Director

STATUTORY AND GENERAL INFORMATION

1. Capital History The Company was incorporated in England under the Companies Act 1929 as a private company limited by shares on 3rd May, 1932 with an authorised capital of £500 divided into Ordinary shares of £1 each, all of which were issued and fully paid. On 25th January, 1954 the authorised share capital was increased to £28,600 divided into Ordinary shares of £1 each, all of which were issued and fully paid. On 7th May, 1980:—

(a) each of the existing 28,600 authorised and issued shares of £1 in the capital of the Company was

converted and subdivided into 10 Ordinary shares of 10p each; with a view to the acquisition of the whole of the issued share capitals of T.P.B., Cooked Meats, Freezer Meats and Gainsborough the authorised share capital of the Company was increased to £230,088 by the creation of 2,014,880 new Ordinary shares of 10p each;

(c) the said 2,014,880 new Ordinary shares were allotted and issued credited as fully paid in consideration. of the above mentioned acquisition and the names of the allottees were emered in the Register of, Members of the Company.

on 9th May, 1980:orised share capital of the Company was further increased to \$500,000 by the creation of 3,699,120 new Ordinary shares of 10p each;

(fi) certain amountments were made to the Memorandum of Association of the Company:

(iii) the Company was converted into a public company and adopted new Articles of Association; and (iv) A capitalisation issue of 2,300,880 new Ordinary shares of 10p each was made to members.

The Company has the following wholly owned subsidiaries all of which are private companies incorporated in England:—

Todwick Pork & Secon Co. Limited Todwick Cooked Meets Limited Yorkshire Freezer Meets Limited och Pork and Bacon

8.1.1969 8.8.1978 20.10.1978

issued Share Capital 18,000 Ordinary shares of £1 each, 986 Ordinary shares of £1 each, 100 Britisery shares of \$1 each.

10,000 Ordinary shares of TOp each, all of which were iss for cesh at per within the last

The calculation of earnings per share is based on the combined profit after taskion and on

3. Contract with Capel-Cure Myers Limited has agreed, subject to the whole of the issued

Under Contract No. (viii) below Capel-Cure Myers Limited has agreed, subject to the whole of the issued

share capital of the Company being admitted to the Official List by the Council of The Stock Exchange not larer

than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company a total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company at total of 1,200,000 than 21st May, 1980, to purchase from the Ordinary shareholders of the Company shareholders of the Compan

The vendors and the numbers of shares agreed to be sold by them respectively are: J. Micklethwaite 553,844; Mrs. J. A. Micklethwaite 209.137; W. Hall 137,640; Mrs. R. E. Hall 159,840; Miss S. J. Micklethwaite 10,440; Miss S. C. Micklethwaite 10,440; Mrs. F. Micklethwaite 26,077; K. G. Tudor and T. H. Staniforth (as Trustees) 20,880; F. J. Kershaw and J. Micklethwaite (as Trustees) 26,077; F. J. Kershaw 23,460 and Mrs. A. Clarke-Graham 22,165.

4. Directors and other interests (a) After completion of Contract No. (viii) below, the interests (as defined by the Companies Acts) of the Directors and their families in the Ordinary share capital of the Company will be as follows:—

Banalicial 2,298,012 Non-beneficial 59,192 Mr. J. Micklethmeite 59,192 Mr. T. H. Steniforth Mr. G. L. Storr

(b) Mr. J. Micklethwaite and Mr. W. Hall own the freehold of the factory, offices and land at Manor Farm, Todwick. The premises are leased to T.P.B. at an annual rent of £4,650 for a period of 20 years commencing 1st May, 1980, with reviews in years five, ten and fifteen, which will be determined in accordance with the terms of the lease which provide for an independent professional valuation. (Contract No. iv below). (c) Save as disclosed above the Directors are not aware of any interest of 5% or more in the issued share capital of the Company.

Articles of Association

The Articles of Association of the Company contain provisions (interalia) to the following effect:-

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the Articles or their terms of issue on a show of hands every Member personally present shall have one vote and on a poll every Member present either personally or by proxy shall have one vote for every Ordinary share held by him. A corporation, being a Member, is deemed to be present personally if represented by a properly authorised representative. No Member shall unless the Directors otherwise determine be entitled to vote or exercise any right conferred by membership in relation to meetings of the Company if he or any person appearing to be interested in shares registered in his name is in default in supplying to the Company within 42 days the information required by a valid notice served under Section 27 of the Companies Act 1976.

required by a valid notice served under Section 27 of the Companies Act 1976.

The Directors shall be entitled to receive by way of remuneration for their services as Directors such sum as shall from time to time be determined by the Company in General Meeting. Such sum (unless otherwise directed by the resolution by which it is voted; shall be divided amongst the Directors as the Board may by Resolution determine or, in default of agreement, equally. Such remuneration shall be inclusive of all Directors' fees payable to any Director as a Director of the Company or any company controlled by the Company. The Directors shall also be entitled to have divided amongst them by way of further remuneration a commission being a sum equal to 5% of the amount by which the net profits before taxation (as defined in the Company's Articles of Association) earned by the Company and its subsidiaries in each linancial year exceed \$2,00,000 t the Profit Reference Level") such additional remoneration to be divided amongst the Directors as the Board of Directors may by Resolution determine or, in default of agreement, equally PROVIDED THAT if the Company acquires any other company or business in exchange for shares or issues any further shares for eash, the Profit Reference Level shall be adjusted upwards to such extent as the Auditors for the time being of the Company shall acting as experts certify to be fair. The Board may sanction the payment being of the Company shall acting as experts certify to be fair. The Board may sanction the payment of reasonable travelline, hotel and other expenses incurred by a Director in attending and returning from meetings of the Board or committees of the Board or General Meetings of the Company or which he may incur in or about the business of the Company.

Any Director appointed to the office of Chairman, Deputy Chairman, Managing Director or Executive Director or other executive office or who discharges any special duty or function devoting special attention beyond the attention necessary for the performance of his ordinary duties as a director shall be paid such additional remuneration (whether by way of salary, commission or participation in profits or otherwise) as the Board may by Resolution determine.

Any Director may continue to be or become a Director, Managing Director, manager or other officer or holder of any place of profit under or employee or member of any other company in which the Company may be interested and no such Director shall be accountable for any remuneration or other benefits received by him by reason of such other office, position, employment or membership.

Any Director may hold any other office or place of profit under the Company in conjunction with his office of Director on such terms as to tenure, remuneration or otherwise as the Board shall determine and he or any firm in which he is interested may act in a professional capacity for the Company (other than as auditor) and shall be entitled to receive and retain remuneration (by way of salary. commission, fee, participation in profit, pension, superannuation or otherwise) for such services as it he were not a Director of the Company.

The Board may establish and maintain any pension, insurance or superannuation funds and shall have the power to give or procure the giving of donations, gramities, pensions or similar payments to any persons, including directors, former directors (or wives, husbands, widows, widowers, families and dependents of such persons) who hold or have held at any time any salaried employment or office in the Company or any of its subsidiary or associated companies.

No Director shall be required to hold any qualification shares. A Director who is not a member of the Company shall never the less be entitled to attend and speak at general meetings.

(h) Section 185 of the Companies Act 1948 (relating to the appointment and retirement of Directors who have attained the age of seventy) does not apply to the Company.

Subject to certain exceptions a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

The Directors may exercise all the powers of the Company to borrow money and to mortgage or The Directors may exercise all the powers of the Company to borrow money and to mortgage or change all or any of its undertaking and property (both present and future) including uncalled capital. The aggregate amount for the time being owing by the Company and its subsidiaries, if any, (the "Group") in respect of monies borrowed by it reaclusive of monies borrowed by any member of the Group from any other member) may not at any time, without the prior sanction of the Company in general meeting, exceed a sum equal to twice the share capital and consolidated reserves (as described in the Articles) of the Group.

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The following not being contracts in the ordinary course of business have been entered into within 2 years liately preceding the date of these particulars and are or may be material:

(i) Dated 3rd October, 1979 between (i) Ravenseft Properties Limited and (ii) the Company being a renewal of the lease of the retail shop at 13 Market Street, Barnsley,

(ii) Dated 30th October, 1979 between (i) Roxholme Properties Limited and (ii) T.P.B. being the contract for purchase for £72,500 of the before-mentioned freehold premises at Dukeries Industrial

(iii) Dated 28th December, 1979 to 3rd January, 1980 between (i) Machinefabriek G. I. Nijhuis B.V. and (ii) T.P.B. being contracts for the supply of plant and machinery at a total of 930.810 Dutch florins (approximately £210,000).

Dated 1st May, 1980 between (i) Mr. J. Micklethwaite and Mr. W. Hall and (ii) T.P.B. being the l lease in favour of T.P.B. of premises at Manor Farm, To Dated 7th May, 1980 between (i) Mr. J. Micklethwaite and others and (ii) the Company being the before-mentioned contract for acquisition by the Company of the issued share capitals of T.P.B., Cooked Meats, Freezer Meats and Gainsborough.

Dated 7th May. 1980 being two contracts between (i) The Company and (ii) (a) Mr. I. Micklethwaite and (b) Mr. W. Hall-being the before-mentioned Service Agreements whereunder Mr. I. Micklethwaite and Mr. W. Hall were appointed Joint Managing Directors of the Company for the term of five years and four years respectively from 1st May, 1980 at salaries of £16,000 and £14,000 per

annum respectively (subject to upward review) and with a right to share in any profit commis payable to Directors under the Company's Articles of Association (see paragraph 5(b) above). Dated 7th May, 1980 between (i) the Company and (ii) Mrs. F. Micklethwaite, the widow of the founder of the Company, whereunder the payment to Mrs. Micklethwaite of a life pension at the rate of \$3,250 per annum (or such larger sum as the Company might agree) was confirmed.

Dated 9th May, 1980 between (i) the above named Vendor shareholders (ii) the Directors of the Company (iii) the Company and (iv) Capel-Cure Myers Limited being the contract mentioned in paragraph 3 above.

(a) No unissued share capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

(b) Save as disclosed herein:-(i) No share or loan capital of the Company, or any of its subsidiaries has, within the two years preceding the date hereof been issued or agreed to be issued or is now proposed to be issued for cash or otherwise:

(ii) No commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries within the said period of two years in connection with the issue or sale of any part of their respective share or loan capitals.

Without the prior approval of the Company in general meeting no material issue of shares (other than to shareholders pro rate to their existing holdings) will be made within one year from the date hereof, and no issue of shares will be made which would effectively alter control of the Company. Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration proceedings which in the opinion of the Directors is of material importance, and the Directors are not aware of any litigation or claim of material importance which is pending or threatened against the Company or any of its subsidiaries.

Mr. T. H. Stanilorth is a partner of Kershaw, Tudor & Co. which firm will receive a fee in connection with the issue of these particulars and receives fees in connection with its professional services to the Group. He also acts as trustee for a shareholding in the Company of which he is not a beneficiary. Mr. F. J. Kershaw who is a shareholder in the Company and also acts as a trustee for other shareholdings in the Company of which he is not a beneficiary receives fees in his professional capacity as adviser to the Group. In addition he is a consultant to Kershaw, Tudor & Co.

On the basis of the forecast profit, the emoluments of the present Directors of the Company will amount to £30,000 for the 52 weeks ending 31st. May 1980. Had the present Board held office throughout the year and the present arrangements been in force for that period it is estimated than the emoluments of the Directors would have amounted to £34,000.

Shortfall and apportionment clearances (as appropriate) have been obtained for the Company and its subsidiaries in respect of the six trading periods ended 2nd June 1979. Under the contract with Capel-Cure Myers Limited the Vendor shareholders have given certain indemnities to the Company and its subsidiaries in respect of taxation, including capital transfer tax.

The Directors are advised that immediately following completion of the Placing of shares by Capel-Cure Myers Limited the Company will be a Close Company as defined in the Income and Corporation Taxes Act 1970. (i) Save as disclosed in 4(b), 6 (vi) and 7(e) above, no Director has or has had any interest in any assets

which within two years of the date of these particulars have been, or are proposed to be, acquired or disposed of by or leased to the Company or any of its subsidiaries and there are no contracts or arrangements subsisting in which a Director is materially interested and which are significant in relation to the business of the Company and its subsidiaries taken as a whole.

(k) The expense of and incidental to the application for the share capital of the Company to be listed on The Stock Exchange are estimated at £100,000 exclusive of VAT and are payable by the Company. (1) No part of the proceeds of the sale of the shares now being placed will be received by the Company.

Brooks & Hanbidge and Thornton Baker, have given and not withdrawn their respective written consents to the issue of these particulars with the inclusion herein of their Report and letter and references thereto in the form and context in which they are included. Capel-Cure Myers Limited has given and not withdrawn its written consent to the issue of this document with the inclusion herein-of its letter relating to the Company's profit forecast in the form and context in which it is included. The above-mentioned consents, the Statement of Adjustments made by Brooks & Hanbidge and Thornton Baker, in arriving at the figures set out in their Report and giving the reasons therefor, and copies of the contracts mentioned above have been attached to the copy of these particulars delivered to the Registrar of Companies for registration.

DOCUMENTS ON DISPLAY

The following documents of copies thereof may be inspected at the offices of Capel-Care Myers Limited, Bath House, Holborn Viaduct, London EC1A 2EU during usual business hours on any weekday (excluding Saturdays and public holidays) for a period of fourteen days following the

The Memorandum and Articles of Association of the Company,

The written consents of Brooks & Hanbidge, Thornton Baker and Capel-Core Myers Limited. The Report and Statement of Adjustments of Brooks & Hanbidge and Thornton Baker.

The audited accounts of the Company and T.P.B. for the two financial periods ended 2nd June, 1979; of Cooked Meats and Freezer Meats for the two financial periods ended 30th June, 1979 and of Gainsborough for the seven months ended 30th June, 1979, together with the audited accounts for the Company and all its subsidiaries for the period ended 1st December, 1979, from the date of their last accounts

Further copies of these particulars may be obtained from:-

(5) The Contracts referred to in paragraph 6 above.

Capel-Care Myers Limited, Bath House, Holborn Viaduct, London ECIA 2EU. Kershaw, Tudor & Co, 58/64 Campo Lane, Sheffield S1 1FW.

Dated 9th May, 1980.

Harrisons and . Crosfield...June 7 Final 17.53

Heath (C.E.)...May 20 Final 3.8

HomfreyJune 11 Int. nil

Hill Samuel ...June 12 Finel 3.486

Matthey...June 12 Final 5.9 ShoesMay 20 Int. 0.88

Keyser

Uliman...May 23 Final due
Land Sees. ...May 19 Final 5

*Lloyds and
Scottish...May 15 Int. 1.87

\$London and
Northern...May 20 Final 2.1
Landon and
Clean Erics May 30 Final 1.07

C'seas Frits...May 30 Final 1.072
MarleyMay 30 Int. 1.5
Meral Box ...June 11 Final 10.72
MEPCMay 31 Int. 1.5
Minster

Northern Foods, June 5 Int. 1.65

Pagler-Hattersley...June 6 Final 5.031 "Percy Bilton...June 2 Final 4.636 "Phillips"

Prop. of
Hays Wherf...May 31
Final due
RHMMay 13
ReadicutMay 19
Read Int.May 30
Final 5
Reed Int.May 30
Final 1.244
SketchleyJune 5
Final 3.294
Trafelgar Hee...May 15
Final 3.294
Trafelgar Hee...May 15
WedgwoodJune 13
Westland
Aircraft...June 13
Int. 1.0

.....bd 3.6 3.0 6.5 7.1

Assets...May 30 Finel 2.3

Lamps...May 9 Int. 1.452 Pilkington Bros...June 15 Final 4.6

*Allied Irish Banks...May 21 Finel 7.143

ANZ BankMay 21 Int. 10 ca "Avon Rubber...May 21 Int. 4.0 BOC Intl.May 23 Int. 1.9 "Bank of

'Brown (Matthew)...May 13 Final 1.41 Capital and Counties...May 24 Int. 2.15

Capel...May 14 Final 0.617

Cater RyderMay 15 Final 14.719
ChlorideMay 14 Final 4.6

*Coats Patons...May 13 Final 2.342
Comp AirMay 29 Final 5.674
Daily Mail & Gen. Tst...June 12 Int. 9.368

*Debenhama ...May 22 Final 4.324
De La Rua ...June 5 Final 4.324
DuportMay 16 Final 2.983
Dutton-

Exchange
Telegraph...May 24
Final 4,0335
French Kier ...May 12
Final 1.1
GEI Intl. ...June 12
Final 3.028
*Goldfields
Final 1.53

Estates:..June 14 Final 4.0

Whidey...May 25 Int. 3.15

RECENT ISSUES

F.P. 16,5' 95 88 Amstrad Cons. Elect 89 F.P. - 180 135tt Hemerden Mining 10c 140 F.P. - 34 25tg Roche Plant 10p..... 98 F.P. 6,5 1034 10 Tratof Prop. Shrs.5p. 10

Capel, May 14 Final 0.617

Foods,...June 17 Sec. Int. 1.7

Goldsmith spells out bid

BY IAN HARGREAVES IN NEW YORK

through a subsidiary of the Wednesday. Cavenham Foods group, is to offer \$45 a share or \$202m in the \$45 a share will be paid cash for a 35 per cent stake in only if the Brooks Ccanlon deal Liamond International, the New - a complex arrangement in-

Diamond shareholders to vote holder vote. against a proposed friendly merger with Brooks-Scanlon. another forest products com-

Shareholders are to vote on

JAMES GOLDSMITH, annual meeting in Maine on postponed poll. The Cavenham offer says that

York-based forest products com- volving a payment of \$6.4m by Diamond and the issuing of an shares are tendered to it and additional 2.6m Diamond shares, the right to purchase no additional expected bid. Sir James which would dilute Sir James's tional shares if fewer than 4.5m shares attempted a carrot and stick of per cent holding is turned shares (equivalent to a 35 per manoeuvre to try to persuade down or postponed by the share-

the Brooks Scanlon deal at their Brooks Scanlon merger at the this source.

If neither of these conditions is met, Cavenham Holdings will offer only \$40 a share.

Cavenham is also reserving the right to acquire more than a 35 per cent stake if sufficient

Additionally, Cavenham says Cavenham also wants, if a postponement is agreed, to use its voting rights under the shares acquired in the \$45 a share tender to vote against the process of the share tender to work against the process of the share tender to work against the process of the share tender to work against the process of the share tender to work against the process of the share tender to work against the process of the share tender to work against the process of the share tender to work against the process of the share tender to work against the postponement is agreed, to use the share tender to work against the postponement is agreed, to use the share tender to work against the postponement is agreed, to use the share tender to work against the postponement is agreed, to use the share tender to work against the postponement is agreed, to use the share tender to work against the postponement is agreed, to use the share tender to work against the postponement is agreed, to use the share tender to work against the postponement to

On course at Statsföretag

BY VICTOR KAYFETZ IN STOCKHOLM

due mainly to a gradual making corrugated paper and metals, coal and other energy improvement in earnings of its so-called basic industrial sectors railway car and loading —forest products, chemicals and in ery manufacturer, which at SKr 1.77bn last year, iron mining—which only began Kalmar Verkstad. to be felt around the end of 1979, the annual report says.

Last year, the company's 30 or so operating subsidiaries had

posed that the state receive no dividend for the fifth consecu-

Loans double

By Lance Keyworth in Helsinki NORDIC INVESTMENT BANK (NIB) almost doubled its lend-

ing in fiscal 1979, its third year

of trading, increased its borrowing, and raised its profit by 48

per cent. Its balance sheet total at the end of the year was SDR

285.8m, against SDR 191.8m in

1978. One SDR (Special Drawing Right) on December 31,

NIB granted 25 investment

loans last year for a total of SDR 101.1m,

year, but is now expected to fall.

International Monetary Market in

GOLD

5,6575-5.6725 1.8020-1.8150 49,35-49.55 71,25-71.60 849.50-850.80 4.9360-4.9445 4.2100-4.2300 4.2325-4.2450 230.80-233.10 12,872-12,834

†Short term..... 7 days' notice. Month.....

Over night..... 2 days notice..

EURO-CURRENCY INTEREST RATES

1578-1618 1434-15

LONDON MONEY RATES

was

equivalent to

Gold with a future

Trading on the New York Com-andity Exchange and the but suddenly ran into trouble

Gold Bullion (fine ounce) (2225-2274)

Gold Coins

THE DOLLAR SPOT AND FORWARD

2,2540-2,2200 2,2570-2,2830 1,27-1,17c pm 6,46 3,17-3,07 pm 1,1781-1,1812 1,389-1,1812 0,38-0,42c dis 1,9900-1,9935 1,9900-1,9915 0,11-0,05c pm 4,06 0,68-0,73d is -1,900-1,9935 1,3125-1,8135 0,30-0,20pf pm 1,65 0,88-0,73d dis -1,935-4,935-49,55 49,049,55 0,30-0,20pf pm 1,65 0,88-0,73pm 1,65 0,89-0,73pm 1,75 0,89-0,73pm 1,65 0,99-0,79-0,79-0,75 0,99-0,79-0,75 0,99-0,7

934-10 978-1018 1113 1134 1158-1178

Local Authority deposits

: 175a-175

15½-17½

13-16 15-17 14*1*2-147₈ 135₈-14

One month

(£231-234)

May 9

at NIB

the publishing house, Liber, 1980. Government grants in the newly-acquired company, connection with employment a combined pre-tax loss of Kockums Automation, the pre-policy have nonetheless kept the SKr 509m (\$120m) against a fabricated home builder, group's liquidity up 1978 loss of SKr 929m, with turn-Nyckelhus, the insulation com- In a review of the group's

STATSFORETAG, the Swedish for its security services com-state holding company, predicts pany, ABAB, for units at the continued recovery during 1980, for units at the expansion will be mainly in new forest products enterprise, ASSI, fields such as non-ferrous

Calmar Verkstad. made up 13 per cent of Other companies with a Sweden's total industrial investfavourable outlook this year are ments, will continue growing in

In a review of the group's over for comparable units up pany, Rockwool, and the highly 10-year existence, Mr. Per 16 per cent to SKr 12.18bn profitable tobacco company, Sköld, the managing director. (\$2.87bn). The board has pro- Dvenska Tobak. calls for a clearer line to be The iron mining company, drawn between Statsföretag's LKAB, which cut its pre-tax normal commercial operations and its tasks as part of government of the property of the prop Statsforetag writes that the SKr 492m last year, is beginning ment policies in the business outlook in 1980 is favourable to benefit from several years of and employment fields.

Stewart & Lloyds upturn

GOLD FUTURES trading in the interested in soya beans as in bars, each weighing 400 troy on new contracts but on existing U.S. has taken a severe knock in gold, and in fact very few futures ounces, costs about \$2m, but ones.

Chicago is largely a medium for speculation.

If conditions are right the market and the U.S. futures is speculator is as likely to be as that a standard purchase of 10 margin requirements, not only restore confidence in itself.

BY JIM JONES IN JOHANNESBURG

STEWART & LLOYDS, the R157.9m South African manufacturer R128.8m. Had Life accounting and distributor of steel and not been introduced, pre-tax Striish Steel has a 21 per cent indirect interest, increased first half pre-tax profits to R9.33m (\$11.8m) in the six months to March 31, 1980. First-half profits in 1979 were R6.77m.

This increase was despite one dividend annually. This

in, First out) accounting basis. maiden interim dividend of Turnover during the period 24.4 cents a share against 16.4 was 22.6 per cent higher at cents last time.

recent months after several years contracts are carried through to futures are bought on margin.

ing and selling contracts and

May 6

\$528-632 \$520-530 \$151-133 \$154-158 \$154-158 \$137-140 \$644-650 \$510-516 \$637-642

(£231-354) (£2271₂-2321₂) (£571₂-581₂) (£57-70) (£57-70)

% hree p.s. months p.s. 6.46 3.17-3.07 pm 6.59 6.74 3.48-3.30 pm 6.59 -4.06 0.68-0.73dls -2.39 -4.06 0.68-0.73dls -2.39 -4.73 30-34 dis -4.39 -9.22 10.65 65dis -7.35 -7.28 65-115 dis -7.28 -8.50 140-165 dis -8.52 -4.59 9½-10% dis -4.82 1-2.43 1.00-1.50dis -1.07 -0.88 0.35-1.15dis -0.8% a -1.70 1.55-1.75dis -1.57 0.52 0.20pm-par 0.7 m 1.44 6.50-2.50 pm 1.2 6.21 2.40-2.30 pm 5.5 Forward premiums and

1034-11 1034-11 1078-1128 1078-1128 1034-11

Long-term Eurodollar two years 11½-11½ per cent; three years 11½-11½ per cent; four years 11½-11½ per cent; five years 11½-11½ per cent; n t-term rates are cell for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notics. Asian rates are closing ra

engineering products, in which profits for the period would British Steel has a 21 per cent have been R12.3m.

This increase was despite one dividend annually. This complete switch to a Lifo (Last year, it has paid a 10 cent

and making 10 times better use

of available resources than the physical market. The Hunt

but suddenly ran into trouble brothers used the low margin to again, and led to a recent re-when prices jumped sharply at their advantage in the silver duction in margins and an the end of 1979. A major differmarket until heavy speculation increase in the number of con-

OTHER CURRENCIES

2.2640-2.2900 2.6765-2.6860 4.51¹2-4.54¹2

111.80-112.80 161.40-162.70

Canada Nethind.

Company market Treastiry
Deposits deposits Bills 4

National Steel cuts spending programme

By Our New York Staff

NATIONAL STEEL, the fourth largest U.S. steelmaker, is to cuts its \$340m capital spending programme for this year by 20 per cent because of the downturn in steel demand.

The company is the first of the big steelmakers to take such a step, although others have indicated that they will take similar measures if the recession starts to look more severe than most businessmen are forecasting it will be.

National, which is more dependent than most of its competitors on sales to the motor industry, has also laid off 3,000 workers, most of them at its Great Larkes steel division plant near Detroit. The company has also closed down three blastfurnaces at four plants. Bethlehem Steel, the nation's

second largest producer, has said it hopes that continued strong demand from the capital goods sector and from energy-related steel users will prevent it having to make cuts in

capital spending.

Armco, a highly diversified steelmaker, but still one with heavy sales to Detroit, has laid off 1,000 of its 30,000 production workers and closed down one blastfurnace at its Middletown, Ohio, plant.

Small gain for Hoffmann

By John Wicks in Zurich THE BOARD of F. Hofffmann-La Roche, the Basie-based pharmaceutical company, will recommend an unchanged gross dividend of SwFr 550 per share and participation certificate. This follows profits for 1979 of SwFr 61.6m (\$37.1m) against SwFr 60.41m (\$36.39m) in 1978. The associated holding company, Sapac, of New Brunswick, Canada, has already announced a similar, unchanged dividend for its 1978-79 financial year. Consolidated sales of the

Roche and Sapac group rose by

7.2 per cent last year to

SwFr 5.19bn (\$3.12bn). Group

profit went up 8.9 per cent to SwFr 219.1m (\$131.9m).

The ensuing liquidation of

from \$850 to around \$500.

1790-1797 0.8890-0.8895 Belgium. 48,8649.06 Denmark 3,7150-5,7170 France... 42,40-42,70 Germany 4,9070-4,9110 Italy...

Rate olven for Argentina in free rate.

THE POUND SPOT AND FORWARD

1.27-1.17c pm 0.65-0.55c pm

3-2c pm 16-8c pm 2½-4½ ore dis 0.08-0.02p pm 3½-2½ pf pm 15c pm-40 dis

12-14 1412-17 15-164 1512-1614 1512-1612 16-17

2.2670-2.2880 2.6775-2.6795 4.52-4.53 66.03-86.13 12.86²-1.2.8³-2 1.1070-1.1080 4.10¹-2.4.11²-2 112.10-112.60

9.58-9.59 525-526 29.18-29.33 3.80¹2-3.81¹3

has also made operators wary of becoming heavily involved

Note Rates

29,20-29,50 67,40-58,00 12,83-12.90

9.56-9.62 4.10-4.124

4,10-4,12:2 1895-1950 528-533 4,51:2-4-544 11.20-11.27 107-112 157-1644 9,54-9,59 3,78;-3,81 2,273-2,282 48-50

pm 8.46 3.17-2.07pm pm 2.69 2.30-2.20pm 6.63 71-67 pm 2.00 23-13 pm 2.00 23-13 pm dis -3.44 57-71 dis -9.43 0.22-0.21 pm 1.33 5-115 dis -1.33 5-115 dis -1.71 47-27 pm 3.88 13-11 pm 5.63 11-10 pm 5.63 11-10 pm 7.39 55-45 pm 1.20 107-37 pm 12.20 107-37 pm 12.20 107-37 pm 1.2-month 6.15-6.05c pm.

inths 11.05-11.15 per cent;

10-104 111₂-116₈ 111₂-116₈

1118-1138

"RIGHTS" OFFERS CURRENCIES, MONEY and GOLD

High | Low

EQUITIES

FIXED INTEREST STOCKS

of continuous growth. In the five years that U.S. citizens have been allowed to own gold the volume of futures contracts has risen of the market.

The margin requirement on a contract, and in some cases standard 100 oz contract is only failure to meet the new margin illustrating the speculative nature \$5,000 or about 10 per cent of calls, contributed to the rethe total value, giving gold the volume of the market.

This constant arbitrage by buy-trading a much wider appeal, ing from \$50 to \$13, and gold the volume of the process of the market. Renunciation data usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's samings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. I issued by tender. || Officered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. It issued in connection with reorganisation, marger or takeover. || Introduction. || Issued to former preference holders. || Allotment letters (or fully-paid). || Provisional or pertity-paid allotment letters. * With warrants. †† Unliated security. ‡ Issued as units comprising 2 perticipating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

BASE LENDING RATES

Allied Irish Bank 17 %	C. Hoare & Co†17 %
American Express Bk. 17 %	Hongkong & Shanghai 17 %
Amro Bank 17 %	Industrial Bk, of Scot. 171%
Henry Ansbacher 17 %	Keyser Ullmann 17 %
A P Bank Ltd 17 %	Knowsley & Co. Ltd 19 %
Arbuthnet Latham 17 %	Langris Trust Ltd 17 %
Arbuthnet Latham 17 % Associates Cap. Corp. 17 %	Lloyds Bank 17 %
Banco de Bilbao 17 %	Edward Manson & Co. 18 %
Bank of Credit & Cmce. 17 %	Midland Bank 17 %
Bank of Cyprus 17 %	Samuel Montagu 17 %
Bank of N.S.W 17 %	■ Morgan Grenfell 17 %
Banque Belge Ltd 17 %	National Westminster 17 %
Banque du Rhone et de	Norwich General Trust 17 %
la Tamise S.A 171%	P. S. Refson & Co 17 %
Barclays Bank 17 %	Rossminster 17 %
Bremar Holdings Ltd. 18 %	Ryl. Bk. Canada (Ldn.) 17 %
Brit. Bank of Mid. East 17 % Brown Shipley 17 %	Schlesinger Limited 17 %
Brown Shipley 17 %	E. S. Schwab 17 %
Canada Perm't Trust 18 %	Security Trust Co. Ltd. 18 %
Cayzer Ltd 17 %	Standard Chartered 17 %
Cedar Holdings 17 %	Trade Dev. Bank 17 %

Charterhouse Japhet... 17 % Choulartons 17 % C. E. Coates 17 % Consolidated Credits... 17 % Co-operative Bank 27 % Twentieth Century Bk. 17 United Bank of Kuwait 17 Whiteaway Laidlaw ... 171% Williams & Glyn's 17 % Wintrust Secs. Ltd. ... 17 % Yorkshire Bank 17 % Corinthian Secs 17 % The Cyprus Popular Bk. 17 % 7-day deposits 15%, 1deposits 15%%. Robert Fraser 17
Antony Gibbs 17 † 7-day deposits on sums of £10,000 Handros Bank 17 % † 7-day deposits on sums and under 15% up to 15% and over £25,000 E Guinness Mahon 17 % † Cell deposits over £1,00 Hambros Bank 17 % § Demand deposits 15%. and under 15%, up to £25,000 15% and over £25,000 151%.

Trustee Savings Bank 17

‡ Call deposits over £1,000 15%.

L.G. Index Limited 01-251 2466 October Sugar 339.7-341.5 29 Lamont Road, London SW10 0HS. Tax-free trading on commodity futures.

The commodity futures market for the small investor.

CORAL INDEX: Close 431-436 (-2)

THE LONG-TERM **CREDIT BANK OF**

Notes 1978-1985

For the six months

with a coupon amount of U.S. \$59.10 Bankers Trust Company, London

CREDIT COMMERCIAL DE FRANCE U.S. \$45,000,000 Floating Rate Notes 1978-1985

> For the six months 6th May 1980 to 6th November 1980 the Notes will carry an interest rate of 131%% per annum.

Listed on the Luxembourg Stock Exchange. By: Bankers Trust Company, London Agent Bank

PAN HOLDING Registered Office: Luxembourg NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS The Annual General Meeting of shareholders of Pan-Holding S.A. will be held at its registant office at 10 Boulevard Roosevelt Luxumbourg, at 3 pm, on May 30, 1800, for the purpose of considering and voting upon the following matters:

1. Acceptance of the Directors' and Commissaire's reports and approval of the financial statements for the year ended December 31, 1979. Application of the net profit, declaration of a dividend for 1979 and of its date of payment.

Westland
Aicraft...June 13 Int. 1.0

"WhitbreadMay 21 Finel 3.677

"Wolv. & Dudley
Brews...May 30 Int. 2.5

"Board meeting intimated. † Rights issue since made. ‡ Tax fres. § Scrip Issue since made. 1 Forecast. Discharge of the Directors and the Commissaire with respect of the year 1979. Statutory nominations. Determination of the Directors' compensation for the fiscal year 1979.

Determinatio of the Commissing's compensation for the fiscal year 1979. The bearer shares may be deposited either at the registered office of the Company in Luxembourg, or with any banking or financial institution agreed by the Company. Depository certificates must be received by the Company at Bolte Postele No. 408, Luxembourg, prior to May 25, 1980.

No depositary certificate is required with respect to registered shares. THE BOARD OF DIRECTORS

Lloyds Bk. (C.L.) U/T Mgrs. P.O. Box 195. St. Hellier, Jersey.

Sampel Montagu Lun. Agents
114, 046 Broad St., Et 2.

Apollo Fd. May 7. SF0.50 51.57 14.0

Apollo Fd. May 7. SF0.50 51.57 14.0

Ludest. Apollo Fd. May 7. SF0.50 51.57 2.50

117 Group April 30 18531.65 13.06 2.65

117 Jessy 01 April 23 15.54 5.94 5.96

117 Jessy 01 April 23 15.54 5.96 5.96

117 Jessy 01 April 23 15.54 5.96 5.96 5.10

Quest Fund Mingmort. (Jersey) 1.td.
PO Box 194, St. Heller, Jersey. 0534:
Guest Sub-Full Im. 10.812 0.860
Guest Sub-Full Im. 10.812 0.860
Guest Ind. Secs. 10.008 0.923
Guest Ind. Secs. 10.008 0.923
Guest Ind. Secs. 10.008 10.928

Richmond Life Ass, Ltd.

48, Athol Street, Douglas, 1.0.M.

68, Athol Street, Douglas, 1.0.M.

60, Athol Street, Douglas, 1.0.M.

60, Damond Bd.

62, 175, 1 - 11, 1 - 12, 1 -

Carrillon C.G.T. Bd ... (6e.1 69.7)

Ruthschild Asset Bizmagement (C.L.)

P.O. Bax 58, St. Julians C., Cuernsey. 0481 26.3

O.C. America Fd.? ... 11.60 17.00 13.00

O.C. Commodity 175.3 185.8 13.00

O.C. Commodity 175.3 185.8 13.00

O.C. Hong Ng. Fd.; ... 186.8 17.26.4

**Prices on Mark 31. Next dealing April 30. 197/ccs on May 21. Next dealing May 7. 197/ccs on May

Rothschild Asset Mgt. (Bermuda) P.D. Box 664, Bk. of Bermuda Bid., Ber Reserve Assets Fd. 1859-94 10.15 Prices on April 28, Next dealing May

Negit S.A. 10a Boulevard NAV April 25...

Pacific Basin Fund

BUILDING SOCIETY RATES

Every Saturday the **Financial Times** publishes a table giving details of

BUILDING SOCIETY RATES

on offer to the public for further details picase ring

01-248 8000, Etn. 266

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in	Annual gross interest	pay-	t Minimum sum	Life of bond	
parentheses)	%		£	Year	
nowsley (051 548 6555)	_	}-year	1,000	1	
edbridge (01-478 3020)	-	}-year	200	2-3	
edbridge (01-478 3020)	. 142	} -year	200	5-6 ·	



Singer & Friedlander Ldn. Agents. 20, Cannon St., EC4. Detaileds | 104226 | 23.17+0.19 4.71 Tokyo Trust May 1 | 115500 | 23.17+0.19 3.60

Outers Hse., Don Rd., St. Hefter, Joy. 0534 27349 American lad Tst. 154.65 Copper Trust 113.20 13.52-0.11 - 628.40.10 - 628.40.10 TSB Unit Trest Managers (C.I.) Ltd.

TSB Gilt Fund Maragers (C.L.) Ltd. 10 Wharf St., St. Heller, Jessey (Cl). US34 73494 TSB Gilt Fund. 193.0 96.0m 14.58 Fries on May 7, Next Sub. Gay May 14.

.Tokyo Pacific Holdings N.V. Indiais Management Co. N.V., Curacao. NAV per share May 6 USS81.90. Tokyo Pacific Hidgs. (Seeboard) N.V. Intimis Management Co. N.V., Coracao. NAV per share May 6 US\$59.66.

Overseas May 7 USS 25 1 33 (Accum, Units) USS 23 2 30

van Cutsem & Associates Ltd. 42, Essex Street, London, WC2 01-35366/ PanAmer. 0's. Fd.J. USS95.40

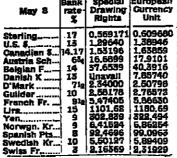
Warld Wide Growth Man

| 1935 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | 1946 | Wren Commodity Trust

17% 17% 17% 17% 16% 16% 167₆-171₈ 153₄-16

Local authorities and finance houses seven days' notice, others seven days fixed. "Long-term local authority mortgage nominally three years 144-144; per cent; four years 144-144, per cent; five years 144-144; per cent. & Bank bill rates in a are buying rates for prime paper. Buying rates for four-month bank bills 164-164, per cent; four-month trade bills

Approximate selling rates for one-month Treasury bills 15½-15½ per cent; two-months 15½-16 per cent; three-months 16-16½ per cent. Approximate selling rates for one-month bank bills 17½ per cent; two-months 16½ per cent; three-months 16½ per cent; one-month trede bills 17½ per cent; two-months 17½ per cent; and three-months 16½ per cent. Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Glearing Bank Rates for lending 17 per cent. Treasury, Bills: Average tender rates of discount 16.1475 per cent.



CURRENCY RATES

JAPAN FINANCE N.V.

U.S. \$75,000,000 Floating Rate

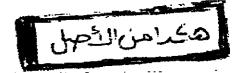
9th May 1980 to 10th November 1980 the Notes will carry an interest rate of 111/1% per annum

RATES

ILDING SOCID

OND TABLE

ERVICE



TRUST INFORMATION agers Ltd.(a) City 031-2253271 Ringsb Croyck House, 6, Whit RO 2JA suriotte Sq., Ed Ort: American Law Un. Tr. M.9 (a)(b)(c) 1. High Wycombe. 0494 22222 Sun Alliance Fund Magt. Ltd., Sun Alliance Hee, Harsham. n SL, EC2P 2EB 01-600 4555 图 元 资 Target Tst. Mogrs. Ltd.\(a)(g) Scottish Widows' Group PO Box 902, Eduburch Ellb 58U 031-655 6000 Inv. Ply. May 9 1225 122 54011 - 180, Sr. May 9 1136 123 149 013 - 180, Cash May 9 1136 1136 119 0 13 -London A'deen & Mthm, Mtl. Assur. Ltd. 719 -01 655 447 -01 555 1257 -03 555 1211 -03 554 Skandla Life Assurance Co. Ltd. 161-166 Fleet St. London EC4 2DY 01-353 8511 Managed Acc. 97.8 102.9 -0.2 — Egunty Acc. 95.0 100.0 -0.4 — Gitt Phis Acc. 98.0 多語 May 6. 494 51.6 139 and May 6. 41.8 51.0 200 hits: 52.2 55.8 4.9 hits: 52.2 55.8 4.9 hits: 37.4 39.8 12.2 hits: 44.6 47.8 40.2 225 Provott, Unit. Trg. Mgrs. 9 d Dordon. 0366 5093 Landon Indemnity & Gal. Ins. Co. Ltd 583511, 40.8 -0.1 -0.1 36.1 -0.2 --38.6 -0.1 --SOCIETY 01-626 0511 BI King William St., EC4N 7BD. 發回 選 Carnhill Insurance Co. Ltd. Sun Alliance Fund Mangrot, Ltd. Sun Alliance House, Horsham. 0400 M & G Group♥ 48, Gracechurch St. N.P.I. Gth. Un. Tst. Tyndali Managers Lid. 18, Carrynge Road, Bristol. (1272;32241) 7.63 120 (272324) 2712 533 88.6 1134 2012 1134 2012 1135 2014 1136 2012 1136 2012 1136 2012 1136 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 48.9 -0.4 6.57 pital May 7 com. Units) come May 7, -- II.64 Sun Life Unit Assurance Ltd. 107, Cheapside, London 5000 174 6-5 - 4.17 273 - 4.17 171 - 11.19 NEL Trust Managers Ltd.9 (a)(g) 77.6 -0.27 (27.32.6) 77.6 -0.27 (6.72 (3.33 -0.21 (6.72 (3.33 -0.21 (6.72 (3.33 (6.72 (6. Co. 0438 56101 +0.3 — 2 — 0.7 — 3 — 0.2 — 3 — 0.1 — Archway Unit Ist: Mgs. Ltd. 9 (a)(c) 317, High Holborn, WCLV 7NL 01-831 6233 Archesy Fund 99.5 107.0 15.83 Prices at May 8. Next sub. day May 15. 137.3 –05 127.2 –62 127.1 –62 Govett (John) V 77 London Wall, EC2 Stockhidr, April 21.... Do, Accum. Unit Unicara Ho. 252, Ro Astro Traff Sen Life Pensions Manage (funds for animidual pensi Pens, Managed Cap., 95.0 Pens, Managed Acc., 195.0 Pens, Managed Acc., 195.0 TSB Unit Trusts (y) 0264 62188 Merchant Investors Assurance Leon House, 233 High St. Property Pens ÒI-686 9171 Ulster Banky (a) \$5552 37.8 6.79 in koyar Et Line mys Lackers, change, EC3P 30N 01-628 8011 rdail is 109.9[-0.3] 5.34 rsoo Administration (a)(b)(c) Unit Trust Account & Migrat. Ltd. NEL Pensions Ltd. Milton Court, Dorlding, Su Target Life Assurance Co. Ltd. S911 Target House, Gateliouse Road, Aylesbur 118.7 122.0 135.2 324 二 548 NSURANCE PROPERTY BONDS The state of the st INSURANCE -1992 9554 -03 433 -1286 15784 -03 825 Prodl. Portfolio Mingrs. Ltd. (a)(b)(c) Holtom Bars, ECIN 2NH. 01-405 9222 37.8 40.6 51.2 10.2 2.69

Bishopsgate Commodity Ser. Ltd. Clive Investments (Jersey) Ltd. P.O. Box 86, St. Peter Part, Guernzey. C E. H. Git Growth Ed. 1995 10 011 Fidelity Mgmt. Research (Jersey) Ltd., Waterloo Hse., Don St., St. Helier, Jersey, 05

Financial Times Monday May 12 1980 FINANCE, LAND—Continued PROPERTY—Continued 25214.75 | 121 4.7126.3 243 215 243 5.0 103 452 8.16 12.0 191128.0 191147.5 253 0010% 144 5.6 28405248 284 11.0 The Nikko Securities Co., (Europe) Ltd. Royex House, Aldermanbury Square, June Dec. Sun Life 50 — April Taisho Mar. EDR Nov. May Trade Indennity. Ma. Ju Se De. Travelers \$2.50 London, EC2V 7LJ, England Tel.: 606-7171 Telex: 884717 OIL AND GAS MINES—Continued Hambing Ps. an., the American Res., Carless Capel 10p Century 10p., Charteritall 5p., Cir. Pebroles B., the Carles Ferri SI. the Carles Petrol SI. the Carles Petrol SI. the Carles Ses., these Carles Ses., the Carles S 10110130 Acmex 50t ACM 20c Bond Corp.
Bond Corp.
Bougainnille I Klea BH South 50c Canada Northwest.
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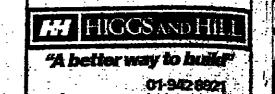
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APPENDING AND APPENDING A **TEAS** India and Bangladesh

INANCIAL TIMES

Monday May 12 1980



More anger at Day of Action

Confusion over the likely impact of the protest against the Government's economic policies continued over the weekend. However, there were signs that it_could prove_an embarrassing damp squib for the TUC as more trade unionists said they would work.

Yesterday, some prominent Labour MPs were privately criticising the TUC for its lack of leadership and failure to consult Labour leaders over the possible political implications of an unsuccessful protest.

They felt it would have been better to delay a day of action until next winter on the assumption that unemployment would be much higher and public opinion more receptive.

Mr. Heffer defended the Following Mrs. Thatcher's union's right to launch the Day granted High Court injunctions

The letter said. Fublic Services' Association, for dismissal," the letter said. Express Newspapers and the said there would be peaceful pickets.

London Evening Standard were pickets.

Unions and the judges, Page 20

boost for

Schmidt

By Roger Boyes in Bonn

Wednesday. They believe its tinued the Government's attack railure would represent a sig-nificant tactical reverse for called union leaders hard-faced trade union leaders out of men who used their industrial touch with the views of their clout to hold the country to

> There was no excuse for the unions to instruct their members to withdraw their labour on Wednesday, he told Scottish Tories at Perth on Saturday. So far not even a Labour Government, committed to Socialism, had justified the withdrawal of labour for a purely political

However, Lord Hailsham was denounced yesterday by Mr. Eric Heffer, a leading member of Labour's National Executive Committee, for questioning the morality of the Day of Action. He argued that the Government had - turned -- its-- back -- on -- thedemocratic corporate state concept by excluding the TUC from for dismissal," the letter said.

MINISTERS INTEND to con-tinue their scornful attacks on sham the Lord Chancellor and been envisaged as a general to withdraw circulars calling the TUC's Day of Action on other Conservative-leaders con-other Conservative-leaders conprotest taking different forms. on May 14. In his view the reaction of Leaders of one of the unions, Mr. Denis Healey, shadew the National Society of Opera-Chancellor of the Exchequer, two Printers, Graphical and

said in a BBC radio interview yesterday that he did not think to defy the injunction the TUC protest would have It was expected yesterday any influence on the Governthat today's edition of the Daily the TUC protest would have any influence on the Government, but he did not regard it. as a futile gesture. It was neces-sary to allow workers to let off steam against the Government the day of action.

• Express Newspapers have Civil servants who comply warned employees that they with the Civil Service Depart-

day, writes Nick Garnett. In a letter to staff, Mr. Jocelyn Stevens, deputy chairman and managing director, said their contracts of employment. "I-have to point out to you that this will render you liable

Media Personnel later decided

Express, published by Express Newspapers, would carry a NATSOPA advertisement about

warned employees that they with the Civil Service Depart-could face dismissal if they do ment's instruction to report for not report for work on Wedness work on Wednesday to their work on Wednesday to their local employment or Social Security offices if they cannot get to their normal place of work will be confronted by those who failed to report for pickets, a civil service union work would be in breach of leader warned yesterday.

Mr. Ken Thomas, general secretary of the largest union in the civil service, the Civil and Public Services

payments this year by an un-expectedly strong export per-formance and hlp from Saudi

Arabia. In an undisclosed trans-action in March the Saudis

placed \$200m on deposit with

the State Bank of Pakistan, the

country's central bank. This is

in addition to another \$200m paid by Saudi Arabia last year.

should have risen to about

\$800m from a perilous low last autumn of about \$150m

Apart from these Saudi grants there has ben no sign

of significant aid from Moslem

countries to enable Pakistan to

purchase arms, as seemed likely

early this year, but the Sandi

funds do mean that Pakistan

can avoid major borrowings from the IMF, while would in-

volve accepting an unpalatable

deflationary package. Accept-ance of such IMF measurse is

one of the conditions the U.S.

is putting forward for agreeing

By the end of June the

State poll U.S. to oppose Pakistan's

BY DAVID HOUSEGO IN KARACHI

CHANCELLOR Schmidt's ruling Social Democratic Party yesterday won a landslide victory in the key West German state of North Rhine Westphalia and is set to become the largest single party

in the State Parliament according to voting projections. The victory was clearly at the expense of the Free Democratic Party, the junior coalition partner in both the North Rhina Westphalian and the Federal

Projections on the basis of 140 out of 150 constituencies show that the FDP captured only 4.9 per cent of the vote, and could thus be edged out of the state Parliament altogether. Under German law parties need to capture at least 5 per cent of the vote to be represented in Parliament. Much will depend on late results and on postal votes.

Herr Johannes Rau, the state Premier, said his Social Democratic Party will be prepared to continue its coalition with the FDP if it managed to secure a seat in the state Parliament.

Senior Social Democrats last night hailed the result as a vote of confidence for Chancellor Schmidt's handling of international crises and of the party's domestic policies including that for energy.

For the other parties there will be two main consequences. The Christian Democratic opposition will increasingly question the choice of Herr Franz Josef Strauss as the main contender against Chancellor Schmidt. Herr Strauss is clearly unpopular in the state of North Rhine Westphalia and evidently cost the Christian Democrats many votes.

Weather

UK TODAY MOSTLY dry with long sunny periods. Cloudy with rain in S.W. England, S. Wales,

N. Ireland, Channel Is. Mostly cloudy, outbreaks of rain. Max. 16C (61F). N. Wales, S.W. Scotland, Glasgow, Lo.Man

Mainly dry, perhaps rain later. Max, 21C (70F). Rest of England and Scotland

Dry, sunny periods, Max. 24C (75F). Outlook: Little change.

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request for debt relief

THE U.S., which offered Pakis \$600m, of which nearly half defaulting on its international tan \$400m in economic and might have been met by debt military assistance following relief. Some donor nations Russia's invasion of Afghanistan, has decided to oppose Pakistan's request for a debt rescheduling. Although State Department's

view that Pakistan should be helped because of its strategic importance has apparently been overruled by the Treasury on the grounds of U.S. budget stringency and because Pakistan has not satisfied U.S. conditions for a debt moratorium. The attitude of the U.S.,

Pakistan's largest creditor, is bound to influence other Western donar nations. They bound will be more reluctant to reschedule payments when the funds made available will help Pakistan meet its U.S. obli-Pakistan had been anticipat-

ing a substantial debt rescheduling next year as part of the West's programme of assistance in the wake of the Russian invasion of Afghanistan. For 1980-81 the Government

estimates an unfinanced gap on the balance of payments of about

outlook was confirmed at the

weekend by the publication of

official figures showing a sharp

deterioration in the country's trade balance and signs that the

rate of industrial output is

month, the trade balance showed a substantial deficit of

L1,384bn (£718.6m) in March compared to a L737bn deficit

during the same month last

In the first quarter of this

This was largely due to the

against the dollar and deckining

year, the trade deficit increased to L3,777bn from L713bn in the first quarter of 1979.

For the third consecutive

beginning to slow down.

might still agree unilaterally to a moratorium. The U.S. decision has not yet

been conveyed officially to Pakistan, but it is bond to cause further strains in relations and doubts about the consistency of U.S. policy.
President Zia-ul-Haq was upset
by what he considered the

meagreness of the original U.S.

ald offer, while the U.S. Administration was annoyed by Paki-stan's public rejection of it. As a result of Pakistan's refusal of the initial offer, and because most existing U.S. aid to Pakistan was suspended last year after disagreements over Pakistan's nuclear policy, the

U.S. is now in the anomalous position of being a net recipient of funds from Pakistan. Debt repayments to the U.S. during the Pakistan financial year 1979-1980, which ends in June, amount to \$96m, leaving a net transfer to the U.S. of public funds of \$45m.

shrinking world market.

Italy's oil deficit in March

alone totalled L1.411bn, while the Fiat car group, Italy's

largest private employer ,has

been forced to put 78,000 car

of a slump in export sales.

to debt relief, as the U.S. believes Pakistan is living ebyond its resources. Sharp rise in Italian trade gap

> But the Government appears to have won a preliminary consensus with the main trade unions for the need to intro-duce shortly a medium-term recovery plan to contain accelerating inflation and the public

workers on short time because sector borrowing requirement. After talks lasting more than Although industrial produc-18 hours this weekend, the Govtion in Italy has been sustained ernment agreed to increase remarkably during past months, family benefits and meet union demands to settle a number of there are now also signs of a gradual slow-down in the rate outstanding public sector labour contracts. In return the unions Industrial production rose by undertook to moderate future 7 per cent last March compared demands and to adopt a more constructive attitude to the to March 1979, but this is lower than the 8 per cent, 9 per cent, administration's longer-term dramatic rise in oil import and 12 per cent year-on-year in-costs, the weakening of the lira creases in the December, economic recovery programme, which is due to be finalised next

Inflation tops 20%

ITALY'S worsening economic export competitiveness in a

of output.

before falling by 3 to 4 percentage poins in July when the range of 7 to 11 per cent over big price increases introduced in the June 1979 Budget as a result of the switch to a higher value added tax drop out of the

The banking figures for the month to mid-April, due on Thursday, are expected to show that bank lending and overall domestic credit expansion are still quite strong in spite of lower growth in the money supply over the last few months. The figures will probably confirm that growth in stending M3,

The rate is likely to peak at the broadly defined money about 22 per cent in mid-summer supply, has come down to the lower end of the official target the last six months. Preliminary figures last wek indicated that the rise in sterling M3 last month was a little over 0.25 per cent, the lowest monthly rise

January and February indices.

for more than a year. But the rise in bank lending will be rose by almost £1bn last month.
The Treasury and the Bank much of the success in bring-

Continued from Page 1

of gilt-edged stock during the past few months rather than to any significant fall in lending activity. Many companies are still borrowing quite strongly to finance large wage increases and high stock levels. to cut MLR until there are firm signs that this lending is under control. Bank of England action

quite large following last week's last week to relieve congestion news that clearing bank in the money market showed advances to the private sector there is still some upward presthere is still some upward pres-sure on interest rates. A further The Treasury and the Bank factor encouraging caution is of England are concerned that the trend of U.S. interest rates, which may be steadying or even ing down money supply growth starting to rise again after the has been due to heavy sales recent sharp fall.

The authorities will not want

FIVE of six British Transport

Brussels and UK of import curb plan

BRITAIN AND the European Commission have been told by the U.S. of up to 30 different products on which imports curbs may shortly be imposed. The restrictions on EEC exports to the U.S. would compensate for the quotas the UK introduced earlier this year to restrict imports of U.S. produced polyester filament yan

and nylon carpet yarn. The U.S. Government may decide to single out UK exports only, though U.S. officials believe it is more likely that the measures would apply to the Community as a whole, while being aimed at particular British products -such woollen fabrics.

No trade war'

News of this move-due to be confirmed by the Carter Administration on May 20— comes a few days after the conclusion of top-level EEC U.S. in Brussels, where Herr trade consultations with the Wilhelm Haferkamp, EEC External Relations Commissioner, insisted there was "no trade war" with the U.S.

But the talks are understood to have identified about 20 areas on which more EEC-U.S. nego-tiations could be necessary to defuse tension. Some of these involve EEC roncern over U.S. anti-dumping action against all major European steel makers, and U.S. anxiety about EEC moves against textiles and synthetic fibres.
The U.S. authorities' action

in drawing up a list of products from which a number would be selected for import quotas is primarily intended to warn American importers. But it is also likely to raise the temperature of continuing talks between Brussels and Washington.

The Brussels Commission recently rejected a U.S. claim that the UK fibres quotas represented a \$55m " trade loss " for this year.

The list of products the U.S. may restrict is being published in the official Federal Register. includes textile yarns and. fabrics, chemical products of interest to symthetic fibre manufacturers, and even non-textile items such as ceramic tiles.

Speciality

Woollen fabrics that are a UK specialty would certinly be included in any curbs enforced. Because comparable luxury fabrics are not produced in the U.S. any decision to bar them would be "a typical case of shooting oneself in the foot," said an American official. David Buchan writes from Washington: A U.S. trade official

in Washington yesterday said the European Commission had been informed that the U.S. might retaliate against protec-tionism on U.S. synthetic fibres. There was a feeling on both sides of the Atlantic that provided the U.S. response was not vided the U.S. response was not disproportionate, it need not irigger a wider trade war, he added. U.S. action was merely responding to the failure of the EEC to negotiate a satisfactory compensation package.
The U.S. had not taken a final

decision on the form of retallation, the official stressed. It could take the form of tariffs or import quotas. A long list of possible target products had already been published this spring for public comment by American business. Since then, the list had been shortened.

BR's film unit wins five prizes

Films productions have won two of them Silver Awards, at the U.S. Industrial Film Festival, Chicago, to which more than 1,000 films, produced worldwide, were entered. BTF is British Rail's films service.

U.S. petrol demand expected to drop 20%

BY RAY DAFTER IN NEW YORK

THE CHANGING driving habits of American motorists should reduce U.S. petrol consumption by 20 per cent over new oil-industry estimates. The savings, which could amount to 1.4m barrels a day on last year's consumption levels, would be the equivalent to the present total output

Largely as a result of the drop in petrol demand, the U.S. should be less of a drain on world-wide off supplies in coming years. The Petroleum Industry Research Foundation (PIRINC) estimates that net imports of oil in 1985 should be 8.2m b/d—the same level as last year-but by

1990 they should have dropped to 7.6 b/d. Consequently, the industry appears confident that the Carter Administration's announced permanent import ceiling of 8.5m b/d provides an achievable goal. The forecasts are contained

in a new study by PIRINC, a research organisation funded by the oil industry. The swing in petrol consumption is the most striking conclusion, for the foundation has assumed that over the next decade U.S. passengercar mileage will increase by 1.5 per cent a year and that the number of cars will rise

by 1.8 per cent annually.

While PIRING sees

significant changes in the driv-ing activities of Americans, it expects a major change in the type of cars they will drive. The principal factors behind the expected drop in petrol consumption are the continu-ing switch to smaller and more fuel-efficient vehicles and a growth in diesel-powered cars. Overall U.S. oil demand is

expected to decline from 18.9m b/d last year to 18.3m b/d in 1985, and to 17.8m b/d in 1990. Domestic crude-oil production is expected to continue its decline, although decontrolling of prices and higher world fuel prices should reduce the rate of the fall,

according to the foundation.

By 1990 total U.S. erude-oil production could be im b/d below last year's 8.6m b/d. oil companies are confident In the shorter-term U.S.

tha, so long as there is not another major disruption to world oil exports, there should be no undue problems with supplies this summer or next winter. Companies told the Finan-

cial Times that as a result of high stock levels and dampened demand, the U.S. —like other major consuming countries — could manage, even assuming that Iranian exports were halted and that Saudi Arabia cuts it output to 8.5m b/d in the second half of this year.

THE LEX COLUMN

Overseas risks and rewards

The institutions are finding the freedom to invest anywhere in the world as perplexing as the decision on appropriate dividend levels for company boards. While there has been some pick up in the level of overseas portfolio investment since exchange controls were abolished in October, particularly by private individuals, the shift has been conducted at a

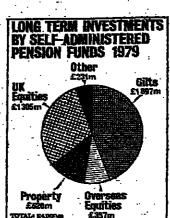
stately pace by the institutions.
The best pointer is provided
by the self-administered pension funds, whose investment in
overseas equity funds increased by 18 per cent last year, according to figures released by the Central Statistical Office. But this is not as impressive as it looks, since there was in fact a slight decline in the proportion of long-term investments put into overseas equities, from 9 per cent in 1978 to below 8} per cent. However, the final quarter of 1979 showed clear signs of a modest pick-up, with 12½ per cent of long term investment going into overseas equities, compared with 91 per cent in the same period of 1978.

Portfolio balance

While this trend has been mirrored by the other institutions and seems to have con-tinued at much the same rate through the early months of 1980, at this pace it will take a long time to raise the average present proportion of 5 per cent or so of long-term funds overseas. It will take a sharp rise in overseas investments change the balance of portfolios significantly. The Prudential, for instance, will have to be quite active abroad in implementing its recent decision to push the proportion held over-seas from the present 3 per cent of equity funds to nearer 10 per cent in the not too distant future.

Among the reasons for the sluggish response are the fact that both foreign markets and currencies have looked relafively unenticing since abolition of controls. Certainly, the general dearth of new Eurobond issues until recently has meant that there has been little opportunity to test demand in the UK following the success of the European Investment Bank in raising DM 100m in the London market in November. The institutions also feel that they still have plenty of time to make up their minds.

But a key reason for the minimal response has been the lack of criteria for deciding what the ideal level of geographical diversification should be. A common cry has been the



need to match sterling liabilities with sterling assets. This is clearly a consideration for the insurance companies who are bound by the legislation to inform the Dtpartment of Trade when domestic assets and liabilities do not match, and matching of this kind will prob-ably become mandatory within the next few years under the EEC life offices directive now being formulated.

Pension funds do not have the same legal restraints, but many argue that prudence prevents them allowing too great a currency mismatch in liabilities and assets. The typical ceiling on overseas assets now being quoted is 10 per cent. However, there is a clear flaw in this argument, since the UK is integrated with the world economy. Most of the big companies in which funds invest are heavily involved abroad and, over the medium and long-term, the earnings stream therefore reflects currency changes and performance of other economies. In practice, the funds' decision should rest on whether they believe they can assemble a better collection of overseas assets than specific UK companies can.

Diversification Stockbrokers W. Greenwell

have just released a paper analysing how investors can benefit through geographical diversification. study assumes that the investor cannot outguess the currency exchange market and finds that of the Government's term of it is not worth investing in office begins to loom. The bonds or cash overseas, because danger is that any sudden outthe movements in currencies are surge could push sterling luin record of equities is so volatile ment under heavy pressure to that the addition of currency step in with renewed controls volatility does not eliminate the If the institutions wish to step benefits that can be obtained up their overseas holdings, through further spreading of steady rate of take-up would be risk. The more the particular in their collective interests.

foreign market moves out of step with the UK market the bigger this benefit. On the basis of simplifying assumptions, the mathematical optimum is for overseas equities to represent 40 per cent of the total equity port. folio. Interestingly, under this approach there seems to have been no theoretical benefit in geographical diversification when conducted through the today dollar premium.

In practice, investment is less simple. Frictional problems reduce the theoretical 40 per cent optimum oversess equity holding in Greenwell's view, to below 20 per cent. Thus for the gross funds unrecoverable witholding taxes on foreign earnings reduce the benefit. while there is also a political risk over whether the carnings will remain remittable. Manage. ment costs are higher and it is more difficult to keep track of investments on the other side of the world. Finally, while one can assume a perfect foreign exchange market for theoretical purposes, the UK investor is currently faced with a dilemma

Sterling question Since the entry of North Sea

oil into the equation, sterling has strengthened in defiance of high levels of inflation. With two diametrically opposed schools of thought about its future trend, future movements could be much bigger than the average volatility measure used in the Greenwell paper. So, until the sterling question is settled it looks as if the UK investor is in effect taking a view on the currency when he invests abrod.

But there are benefits to investing overseas over and above the diversification of risk. There are opportunities to go into sectors that are simply not represented on the London market, with airlines and microelectronics obvious examples. It potential winning companies in sectors where the world comptition is dominated by a handful

of companies.

The institutions may be hetating now, but things could look very different if sterling clearly turns or when the end too large. However, the track a tailspin, putting the Govern-

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